

JOINT-STOCK COMPANIES MANUAL

OF THE

Societies Registration Act, 1860; Provident Insurance Societies
Act, 1912; Indian Life Assurance Companies Act,
1912; Indian Insurance Companies Act, 1928;
Indian Companies Act, 1913; with Rules and
Notifications issued thereunder and
Standing Orders and Legal Opinions
connected therewith

BY

THE REGISTRAR OF COMPANIES, BOMBAY.



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PART I.

**The Societies Registration Act, 1860 (XXI of 1860)
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Legal Opinions.**

PART I.

The Societies' Registration Act, 1863 (Act No. XXI of 1860)

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THE SOCIETIES REGISTRATION ACT, 1860¹.

(ACT No. XXI OF 1860.)

[21st May 1860.]

An Act for the Registration of Literary, Scientific, and Charitable Societies.

WHEREAS it is expedient that provision should be made for improving the legal condition of societies established for the promotion of literature, science or the fine arts, or for the diffusion of useful knowledge (the diffusion of political education)¹ (a) or for charitable purposes. It is enacted as follows:—

1. Any seven or more persons associated for any literary, scientific, or charitable purpose, or for any such purpose as is described in section 20 of this Act, may, by subscribing their names to a memorandum of association, and filing the
- Societies formed by memorandum of association and registration.

1 Short title, "The Societies Registration Act, 1860", see the Indian Short Titles Act, 1897 (14 of 1897), General Acts, Ed. 1899, Vol. VI, p. 331.

This Act (with the exception of the first four sections) is based on the Literary and Scientific Institutions Act, 1854 (17 & 18 Vict., c. 112) ss. 20 *et seq.*

It has been declared to be in force in the whole of British India, except as regards the Scheduled Districts, by s. 3 of the Laws Local Extent Act, 1874 (15 of 1874), General Acts, Ed. 1898, Vol. II, p. 483.

It has been declared to be in force in Upper Burma generally (except the Shan States) by the Burma Laws Act, 1898 (13 of 1898), s. 4 (1), and Sch. 1, Burma Code, Ed. 1899, p. 260.

It has been declared, by notification under s. 3 (a) of the Scheduled Districts Act, 1874 (14 of 1874), General Acts, Ed. 1898, Vol. II, p. 467, to be in force in the following Scheduled Districts, namely:—

West Jalpaiguri	See Gazette of India, 1881, Pt. I, p. 74.
The District of Hazaribagh, Lohardaga (now called the Ranchi District, see Calcutta Gazette, 1899, Pt. I, p. 44) and Manbhum, and Pargana Dhalbhum and the Kolhan in the District of Singhbhum	Po. do. 1881, Pt. I, p. 504.
The Scheduled portion of the Mirzapur District	Do. do. 1879, Pt. I, p. 383.
Janusar Bawar	Do. do. 1879, Pt. I, p. 302.
The Districts of Hazara, Peshawar, Kohat, Bannu, Dera Ismail Khan and Dera Ghazi Khan	Do. do. 1886, Pt. I, p. 48.
The District of Sylhet	Do. do. 1879, Pt. I, p. 631.
The rest of Assam (except the North Lushai Hills)	Do. do. 1897, Pt. I, p. 299.

¹ (a) The words in brackets were inserted by section 2 of Act No. XXII of 1927.

same with the Registrar* of Joint-Stock Companies * * * *², form themselves into a society under this Act.³

2. The memorandum of association shall contain the following—

Memorandum. of ing things (that is to say):—
association.

the name of the society,

the objects of the society,

the names, addresses, and occupations of the governors,
council, directors, committee, or other governing
body to whom, by the rules of the society, the
management of its affairs is entrusted.

A copy of the rules and regulations of the society, certified to be a correct copy by not less than three of the members of the governing body, shall be filed with the memorandum of association.

3. Upon such memorandum and certified copy being filed, the

Registration.

Registrar shall certify under his hand that the society is registered under this Act. There shall be paid to the Registrar for every such registration a fee of

Fees.

fifty rupees, or such smaller fee as the Governor General of India in Council may from time to time direct, and all fees so paid shall be accounted for to Government.⁴

The Scheduled Districts in Ganjam

and Vizagapatam See *Fort St. George Gazette*, 1898, Pt. I, p. 666, and *Gazette of India*, 1898, Pt. I, p. 870.

It has been extended, by notification under s. 5 of the last mentioned Act, to the following Scheduled Districts, namely:—

Sindh See *Gazette of India*, 1880, Pt. I, p. 672.

Kumaon and Garhwal Do. do. 1876, Pt. I, p. 606.

Ajmer and Merwara Do. do. 1878, Pt. I, p. 380.

It has been declared, by notification under s. 3 (b) of the same Act, not to be in force in the Scheduled District of Lahaul (see *Gazette of India*, 1886, Pt. I, p. 301).

*For construction of the words 'Registrar of Joint-Stock Companies' in sections 1 and 18, see section 288 of the Indian Companies Act, 1913, page 287.

2 The words "under Act XIX of 1857" were repealed by the Repealing Act, 1874 (16 of 1874), see now the Indian Companies Act, 1913 (VII of 1913).

3 A society established prior to the Act need not file a memorandum of association signed by seven members as required by section 1. The application for registration of such a society should be signed by each member of its governing body. (Solicitor to Government's Opinion, No. 1, dated 3rd January 1906.)

4 The memorandum of association of a society formed under the Act, but which society does not receive any contributions, requires no stamp. (Solicitor to Government's Opinion, No. 1071, dated 8th December 1870.) Certificates under this section are not chargeable with fees, although under section 19 of the Act, copies are so chargeable. (G. O., R. D., No. 7598, dated 22nd July 1918.)

4. Once in every year, on or before the fourteenth day succeeding the day on which, according to the rules of the society the annual general meeting of the society is held, or, if the rules do not provide for an annual general meeting, in the month of January, a list shall be filed with the Registrar of Joint-Stock Companies, of the names, addresses, and occupations of the governors, council, directors, committee, or other governing body then entrusted with the management of the affairs of the society.⁵

5. The property, moveable and immoveable, belonging to a society registered under this Act, if not vested in trustees, shall be deemed to be vested, for the time being, in the governing body, of such society, and in all proceedings, civil and criminal, may be described as the property of the governing body of such society by their proper title.

6. Every society registered under this Act may sue or be sued in the name of the president, chairman, or principal secretary, or trustees, as shall be determined by the rules and regulations of the society, and, in default of such determination, in the name of such person as shall be appointed by the governing body for the occasion: provided that it shall be competent for any person having a claim or demand against the society to sue the president or chairman, or principal secretary or the trustees thereof, if on application to the governing body some other officer or person be not nominated to be the defendant.

7. No suit or proceeding in any Civil Court shall abate or discontinue by reason of the person, by or against whom such suit or proceedings shall have been brought or continued, dying or ceasing to fill the character in the name whereof he shall have sued or been sued, but the same suit or proceeding shall be continued in the name of or against the successor of such person.

8. If a judgment shall be recovered against the person or officer named on behalf of the society, such judgment shall not be put in force against the property, moveable or immoveable, or against the body of such person or officer, but against the property of the society. The application for execution shall set forth the judgment, the fact of the party against whom it shall have been

⁵ Proceedings in respect of a default in filing the annual list of the governing body can scarcely be successful. (Solicitor to Government's Opinion. No. 1518, dated 10th November 1903.)

recovered having sued or having been sued, as the case may be, on behalf of the society only, and shall require to have the judgment enforced against the property of the society.

9. Whenever by any bye-law duly made in accordance with the rules and regulations of the society, or, ^{Society may make} if the rules do not provide for the making of bye-laws, by any bye-law made at a general meeting of the members of the society convened for the purpose (for the making of which the concurrent votes of three-fifths of the members present at such meeting shall be necessary), any pecuniary penalty is imposed for the breach of any rule or bye-law of the society, such penalty, when accrued, may be recovered in any Court having jurisdiction where the defendant shall reside, or the society shall be situate, as the governing body thereof shall deem expedient.

10. Any member who may be in arrear of a subscription which according to the rules of the society he is bound to pay, or who shall possess himself of or detain any property of the society in a manner or for a time contrary to such rules, or shall injure or destroy any property of the society, may be sued for such arrear or for the damage accruing from such detention, injury, or destruction of property in the manner hereinbefore provided. But if the defendant shall be successful in any suit or other proceeding brought against him at the instance of the society, and shall be adjudged to recover his costs, he may elect to proceed to recover the same from the officer in whose name the suit shall be brought, or from the society, and in the latter case shall have process against the property of the said society in the manner above described.

11. Any member of the society who shall steal, purloin, or embezzle any money or other property, or wilfully and maliciously destroy or injure any property of such society, or shall forge any deed, bond, security for money, receipt or other instrument, whereby the funds of the society may be exposed to loss, shall be subject to the same prosecution, and if convicted, shall be liable to be punished in like manner, as any person not a member would be subject and liable to in respect of the like offence.

12. Whenever it shall appear to the governing body of any society registered under this Act, which has been established for any particular purpose or purposes, that it is advisable to alter, extend, or abridge such purpose to or for other purposes within the meaning of this Act, or to amalgamate such society either wholly or partially with any

other society, such governing body may submit the proposition to the members of the society in a written or printed report, and may convene a special meeting for the consideration thereof according to the regulations of the society; but no such proposition shall be carried into effect unless such report shall have been delivered or sent by post to every member of the society ten days previous to the special meeting convened by the governing body for the consideration thereof, nor unless such proposition shall have been agreed to by the votes of three-fifths of the members delivered in person or by proxy, and confirmed by the votes of three-fifths of the members present at a second special meeting convened by the governing body at an interval of one month after the former meeting.

13. Any number not less than three-fifths of the members of any society may determine that it shall be dissolved, and thereupon it shall be dissolved forthwith, or at the time then agreed upon, and all necessary steps shall be taken for the disposal and settlement of the property of the society, its claims and liabilities, according to the rules of the said society applicable thereto, if any, and, if not, then as the governing body shall find expedient, provided that, in the event of any dispute arising among the said governing body or the members of the society, the adjustment of its affairs shall be referred to the principal Court of original civil jurisdiction of the district in which the chief building of the society is situate; and the Court shall make such order in the matter as it shall deem requisite :

Provision for the dissolution of societies and adjustment of their affairs.

Provided that no society shall be dissolved unless three-fifths of the members shall have expressed a wish for such dissolution by their votes delivered in person, or by proxy, at a general meeting convened for the purpose :

Provided that whenever the Government is a member of, or a contributor to, or otherwise interested in, any society registered under this Act, such society shall not be dissolved without the consent of Government.

14. If upon the dissolution of any society registered under this Act there shall remain, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the said society or any of them, but shall be given to some other society, to be determined by the votes of not less than three-fifths of the members present personally or by proxy at the time of the dissolution, or in default thereof,

Upon a dissolution no member to receive profit.

by such Court as aforesaid: Provided, however, that this clause shall not apply to any society which shall have been founded or established by the contributions of shareholders in the nature of a Joint-Stock Company.

Proviso for Joint-Stock Companies. ⁶Notwithstanding anything contained in section 14 of the *Societies Registration Act, 1860*, hereinafter called "the said Act", it shall be lawful for the members of any society dissolved under section 13 of the said Act to determine by a majority of the votes of the members present personally or by proxy at the time of the dissolution of such society that any property whatsoever remaining after the satisfaction of all its debts and liabilities shall be given to Government to be utilised for any of the purposes referred to in section 1 of the said Act.

15. For the purposes of this Act a member of a society shall be a person, who, having been admitted therein according to the rules and regulations thereof, shall have paid a subscription, or shall have signed the roll or list of members thereof, and shall not have resigned in accordance with such rules and regulations; but in all proceedings under this Act no person shall be entitled to vote or be counted as a member whose subscription at the time shall have been in arrear for a period exceeding three months.

16. The governing body of the society shall be the governors, council, directors, committee, trustees, or other body to whom by the rules and regulations of the society the management of its affairs is entrusted.

✓ 17. Any company or society established for a literary, scientific, or charitable purpose and registered under Act XLIII of 1850,⁷ or any such society established and constituted previously to the passing of this Act but not registered under the said Act XLIII of 1850,⁷ may at any time hereafter be registered as a society under this Act; subject to the proviso that no such company or society shall be registered under this Act unless an assent to its being so registered has been given by three-fifths of the members present personally, or by proxy, at some general meeting convened for that purpose by the governing body. In the case of a company or society registered under Act XLIII of 1850,⁷ the directors

⁶ Section 14 of the Societies Registration Act, 1860, has been amended as regards the Presidency of Bombay by Bombay Act No. II of 1912, just published, after having received the assent of the Governor General, in the *Bombay Government Gazette* on the 29th May 1912.

⁷ Rep. Act 10 of 1866. S. 219; see now the Indian Companies Act, 1913 (VII of 1913).

shall be deemed to be such governing body. In the case of a society not so registered if no such body shall have been constituted on the establishment of the society, it shall be competent for the members thereof, upon due notice to create for itself a governing body to act for the society thenceforth.⁸

18. In order to any such society as is mentioned in the last preceding section obtaining registry under this Act, it shall be sufficient that the governing body file with the Registrar of Joint-Stock Companies* * * * *⁹ a memorandum showing the name of the society, the objects of the society, and the names, addresses, and occupations of the governing body, together with a copy of the rules and regulations of the society certified as provided in section 2, and a copy of the report of the proceedings of the general meeting at which the registration was resolved on.

19. Any person may inspect all documents filed with the Registrar under this Act on payment of a fee of one rupee for each inspection; and any person may require a copy or extract of any document or any part of any document, to be certified by the Registrar, on payment of two annas for every hundred words of such copy or extract; and such certified copy shall be *prima facie* evidence of the matters therein contained in all legal proceedings whatever.

20. The following societies may be registered under this Act :—Charitable societies, the military orphan funds or societies established at the several presidencies of India, societies established for the promotion of science, literature, or the fine arts, for instruction, the diffusion of useful knowledge (the diffusion of political education)^{9(a)}, the foundation or maintenance of libraries or reading-rooms for general use among the members or open to the public, or public museums and galleries of paintings and other works of

⁸ A company registered under the Indian Companies Acts, 1866, 1882, and 1913, is not entitled to register as a Charitable Society under Section 17 of this Act. (Opinions Nos. 33 and 36 of the Advocate General, dated 7th and 22nd August 1917, respectively.)

⁹ The words and figures "under Act XIX of 1857" were repealed by the Repealing Act, 1874 (16 of 1874).

^{9(a)} The words in brackets were inserted by section 2 of Act No. XXII of 1927.

art, collections of natural history, mechanical and philosophical inventions, instruments, or designs. 10,11,12, 13,14, 15, 16, 17, 18 & 19.

10 A "death benefit fund" is not a charitable society and cannot be registered under this Act. (G. R., R. D., No. 1481, dated 24th May 1880.)

11 Help to penniless children, widows and others is not an object within the scope of the section. (Advocate General's Opinion, No. 1, dated 4th January 1894—Universal Friend-in-Need Society.)

12 Such objects as dinner parties and payment of funeral or marriage expenses do not come within the section. (Advocate General's Opinion, No. 474, dated 9th August 1892.)

13 Clubs established purely for the promotion of athletics or indoor or outdoor exercises cannot be registered under the Act. (Solicitor to Government's Opinion, No. 498 of 3rd May 1899.)

14 Where there is a separate governing body and an independent existence there is no objection to registering a society on the ground that the word "branch, etc." is included in the name. (Solicitor to Government's Opinion, No. 976, dated 18th September 1899.)

15 A Society formed to administer property belonging to a church, for charitable purposes, the board being limited to members of foreign missions, can be registered. (Advocate-General's Opinion, No. 50, dated 2nd July 1906.)

16 Religious training is an object within the section. (Solicitor to Government's Opinion, No. 1080, dated 6th August 1906.)

17 Only Societies, the whole of whose objects are substantially within the Act, can be registered.

Political Education and the study of public questions are not within section 20 of the S. R. Act, 1866 (Advocate General's Opinion, No. 82, dated 1st December 1916) (in *re* the Servants of India Society).

18 To spread useful knowledge by means of lectures and reading rooms and to give charitable help in times of epidemics would fall within section 20. As in note (c) to rule 4 of the Associations rules all connection with politics is repudiated it cannot be said that the object of the Association is to deal with political matters. The third object is to impart useful knowledge to the Municipality and controlling authority for it is to the interests of the municipality to know when the rate-payers are oppressed in order that they may remedy their grievances if possible. (In *re* rate-payers Association; Remembrancer of Legal Affairs No. 1848, dated 30th August 1919; Government Order No. 9605, Revenue Department, dated 17th September 1919.)

19 As the main object of the Union is to promote the economic interest of its members it is a Friendly Society as described in section 9 of 18 and 19 Victoria, Chapter 63 of 1865. It is not a charitable (or benevolent) Society within the meaning of section 20. It is true that some of its objects such as the promotion of instruction and the diffusion of useful knowledge are within section 20, but looking to the general nature of the objects of the Union it cannot be registered under Act XXI of 1860.

If Government consider that the Union is an Association capable of being formed into a limited company and that its object is a useful one it may apparently be registered under section 26 of the Indian Companies Act, 1913. As insurance is only a minor object of the Union it can hardly be registered as a Provident Insurance Society under the Provident Insurance Societies Act, 1912. (In *re* Mangalorean Catholic Seamen's and Workmen's Union); (Remembrancer of Legal Affairs, No. 2742, dated 1st December 1920, Government Order No. C-937, Revenue Department, dated 15th December 1920).

PART II.

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8. Amendment of rules.
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10. Register of members.
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12. Office.
13. Revenue-account and balance-sheet.
14. Delivery and publication of revenue-accounts, etc.
15. Record of insurances effected on life other than life of person insuring.
16. Inspection of books.
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18. Cancellation of registry.
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Offences and Procedure.

21. Penalty for non-compliance with Act.
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23. Cognizance of offences.

Rules.

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Miscellaneous.

25. Saving of existing policies.
26. Power of Local Government to exempt from provisions of the Act.

THE PROVIDENT INSURANCE SOCIETIES ACT, 1912.

(ACT No. V of 1912.)

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 18th March 1912.)

An Act to provide for the regulation of Provident Insurance Societies.

WHEREAS it is expedient to provide for the regulation of Provident Insurance Societies; It is hereby enacted as follows:—

Preliminary.

1. (1) This Act may be called the Provident Insurance Societies Act, 1912; and
Short title and extent.

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Santhal Parganas and the Pargana of Spiti.

2. In this Act, unless there is anything repugnant in the subject or context,—
Definitions.

(1) "Court" means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction:

(2) "financial year" means each period of twelve months at the end of which the balance of the accounts of any Provident Insurance Society is struck, or, if no such balance is struck, then the calendar year:

(3) "life assurance business" means the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life:

(4) "policy of assurance on human life" means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life:¹

¹ See Advocate General's Opinion No. 59 of 1915, dated 10th September 1915 (printed at end of the Provident Insurance Societies Rules). Page 57 *infra*.

(5) "policy-holder" means the person who for the time being is the legal holder of the policy for securing the contract with the Provident Insurance Society :

(6) where a Provident Insurance Society grants annuities upon human life, "policy" includes the instrument evidencing the contract to pay such an annuity and "policy-holder" includes annuitant :

(7) "prescribed" means prescribed by rules made under this Act :

(8) "Provident Insurance Society" means any person who, or body of persons whether corporate or unincorporate which, receives premiums or contributions for insuring money to be paid on the birth, marriage or death of any person or on the happening of such other contingency or class of contingency as may be prescribed :² and

(9) "Registrar" means any person who may be appointed by the Local Government to perform the duties of the Registrar under this Act.³

2 As to the applicability of the Provident Insurance Societies Act, 1912, to Co-operative Credit Societies, the following letter from the Government of India is instructive :—

I am directed to acknowledge the receipt of your letter No. 1732-M—1-C-2, dated the 22nd July 1913, in which you referred to the Government of India the question of the applicability of the Provident Insurance Societies Act, 1912, to Co-operative Credit Societies, more especially those of the Luzzatti type, and to the Provident Funds maintained by Banks and mercantile firms for the benefit of their employes.

In reply, I am to say that the Government of India are not satisfied that the business ordinarily transacted by Co-operative Societies comes within the purview of the Provident Insurance Societies Act, 1912. They are not prepared, however, to agree to any form of general exemption, but would prefer that each particular case in which it appears that a Co-operative Society should be subject to all or any of the provisions of the Act should be considered separately and decided on its merits. It is for the Local Government to grant or refuse such exemptions; but in the opinion of the Government of India, it would be wrong to exempt Co-operative Credit Societies carrying on ordinary life assurance business within the limits defined in section 3 of the Provident Insurance Societies Act, since the nature of the contracts entered into in the course of such business requires the Society to build up a reserve based on actuarial calculations to enable them to meet claims arising in future years when the current premiums are insufficient to meet current liabilities.

As regards Provident Funds maintained by Banks and mercantile firms for the benefit of their employes, the Government of India consider that they may be exempted from the provision of the Provident Insurance Societies Act, V of 1912, subject to the condition that the benefits of the fund are restricted to the employes of the firm or company and that the firm or company is responsible for the proper working and control of the fund. I am to add that in any case in which the contracts undertaken by the fund exceed the limits prescribed in section 3 of Act V of 1912 the fund will become subject to the provisions of Act VI of 1912 and in these circumstances any question of exemption should be referred to the Government of India for consideration.

(G. of I. letter, Deptt. of C. & I., No. 8773—105, dated 20th October 1913, to the Government of Burma. G. R. No. 10926, dated 2nd December 1913.)

3 In exercise of the powers conferred by section 2, clause 9, of the Provident Insurance Societies Act, 1912 (V of 1912), the Governor in Council is

3. Nothing in this Act shall apply to any Provident Insurance Society carrying on life assurance business, which undertakes to pay on any life assurance policy or series of life assurance policies on any one life, an annuity exceeding fifty rupees or a gross sum exceeding five hundred rupees, or which receives or undertakes to receive by way of premium or contribution for life assurance on any one life any sum exceeding two hundred and fifty rupees where the said premiums or contributions are payable for one year or a limited number of years, or exceeding twenty-five rupees in any one year where the premiums or contributions are unlimited in number and terminable on death or the occurrence of an uncertain event :

Provided that in determining whether this Act applies to any Provident Insurance Society carrying on life insurance business, contracts entered into by the society before the commencement of this Act shall not be taken into consideration.⁴ & 5.

pleased to appoint the Registrar of Joint-Stock Companies, Bombay, to perform the duties of the Registrar under the said Act in addition to his own duties.

(Govt. Notifn. No. 5012, dated 27th May 1912.)

4 *Opinion of the Advocate General, Bengal, as to interpretation of section 3.*

Section 3 of the Provident Insurance Societies Act, V of 1912, enacts that the Act shall not apply to any Provident Insurance Society which undertakes to pay on any life assurance policy or series of policies on any one life a gross sum exceeding Rs. 500, or which receives by way of premium on any one life a sum exceeding Rs. 250, etc.

•The Northern Circars Life Assurance Company in its prospectus (rule 8) states that on its first class policy the minimum benefit of Rs. 100 will be paid immediately on receipt of complete proofs of death. This is a definite undertaking to pay a gross sum of Rs. 100.

Rule 8 further states that "at the end of the year after closing the accounts of the Company any further sum due to him will be paid to the nominee," the maximum benefit being Rs. 1,000. The rule also provides that "a sum of 80 per cent. of the total collections of premiums excluding first five premiums of unqualified period paid by the qualified assured in the first class will be distributed among the heirs or nominees of the qualified deceased assured of that class in proportion to the premiums paid."

The effect of this appears to be to give the policy holder a further claim to a dividend depending on the division of a sum of 80 per cent. of the total premiums collected "excluding first five premiums of unqualified period paid by the qualified assured in the first class" among claims on deaths during the year, the maximum potential benefit being Rs. 1,000.

It seems to me, therefore, that there is an existing undertaking to pay a gross sum exceeding Rs. 500 in the event of the profits from premiums admitting of this, that is a contingent obligation, but none the less an obligation though contingent.

Whether or not an Insurance Company is within the Provident Insurance Societies Act must be capable of being determined definitely at the time of the passing of the Act in the case of the Companies already formed, or at the time of the formation of any Company subsequently to the passing of the Act. It cannot have been contemplated by the legislature that the recognition of a Company as a Life Assurance Company on the one hand, or as a Provident Insurance Society on the other should depend on the amount of the dividend actually paid at the end of the first cr

General.

4. No Provident Insurance Society shall receive any premium or contribution for insuring money to be paid on the death of any person other than the person paying such premium or contribution, or the wife, husband, child, parent, brother or sister of such person.⁶

5. Every Provident Insurance Society shall, by its rules—
 Provision to be made by rules.

- (a) specify the object, name and registered office of the society;
- (b) prescribe the proportion of the annual income of the society derived from premiums or contributions which may be disbursed for the expenses of management of the society;
- (c) in the case of a society which by rule or practice divides any part of the funds thereof, provide for the payment of all debts due by the society existing at the time of division before any such division has taken place; and
- (d) provide for any other matters which may be prescribed.

any subsequent year. In my opinion the test is whether when the Company is formed there exists under its prospectus or rules an undertaking to pay in any one year a sum exceeding Rs. 500, whether this be an absolute or a contingent obligation. When the undertaking or obligation is contingent, it becomes enforceable if and when the contingency has occurred, but it is the existence of the undertaking which determines the category to which the Company belongs.

I am of opinion, therefore, that the Northern Circars Life Assurance Company is governed by the Indian Life Assurance Companies Act, VI of 1912.

(Vide letter from the G. of I., Department of C. & I., No. 7311—7324—96, dated 6th September 1913.—G. R. No. 10088, dated 7th November 1913.)

5 The limits prescribed by section 3 of Act V of 1912 only relate to policies of assurance on human life.

(G. of I. letter, Deptt. of C. & I., No. 10561-96, dated 10th December 1913, G. R. No. 6483, dated 14th July 1914.)

See also Advocate General of Bombay's Opinion, No. 59 of 1915, dated 10th September 1915 (printed at end of the Provident Insurance Societies Rules), paragraphs 2, 3 and 4. Page 57 *infra*.

6 (1) The following case as to the interpretation of sections 4 and 25 was placed before the Advocate General, Bengal:—

I am directed to invite your attention to a question which has arisen in connection with the interpretation of sections 4 and 25 of the Provident Insurance Societies Act of 1912. Section 4 of that Act declares that in certain cases where there is no insurable interest, premiums or contributions shall not be accepted. Section 25 states that no policy effected before the commencement of the Act shall be deemed to be void by reason only that the insurance is not authorised by the Act. It would appear that section 25 accepts payments made under a policy provided for by that section from the operation of section 4. The Act therefore would appear to provide for the continuance of premium payments in the case of policies effected prior to the Act by persons not possessing an insurable interest as defined by

6. (1) Every Provident Insurance Society shall, within three months from the commencement of this Act, or, if established after the commencement of this Act, before it receives any premium or contribution apply to the Registrar for that part of British India in which the office of the society is situate for registration under this Act, and shall deliver to him a copy of the rules of the society.

(2) The Registrar shall, on being satisfied that such rules comply with the provisions of this Act, acknowledge the receipt of the rules and register the society and its rules.

(3) If the Registrar is not satisfied that the rules or any of them comply with the provisions of this Act, he shall send to the Provident Insurance Society a notice by post stating in what respect such rule or rules is or are not in accordance with the provisions of this Act, and calling upon such society to deliver to him an amended rule or rules within sixty days.

(4) On receipt of a notice under sub-section (3), the Provident Insurance Society may within sixty days deliver to the Registrar

section 4, since if payments under such a policy cannot be made the effect would be that the policy would be void, for that is the purpose for which the instrument is created. The position seems to be similar to that created by section 36, sub-section (2), of the English Insurance Companies Act, 1909.

It has, however, been suggested that the wording of the Act does not permit the payment of premiums in any case by persons not possessing an insurable interest as defined by section 4, and if this view were correct it would be necessary to provide by rule for the disposal or determination of policies previously effected by such persons either by their surrender for their cash surrender value or by their transfer to some person possessing an insurable interest or in some other legitimate way.

Opinion.

Section 4 of the Provident Insurance Societies Act, V of 1912, in effect enacts that no Provident Insurance Society shall receive any premium on any policy of life assurance where there is no insurable interest by marriage or certain specified blood relationship between the party insuring and the party insured.

This provision is imperative and speaks as from the date when the Act received the assent of the Governor General, namely, the 18th March 1912, but by reason of section 25 of the Act it would seem to be applicable only to policies of assurance effected subsequently to the commencement of the Act.

The provision of section 25 saves policies effected prior to the Act from becoming void by reason that the insurance was not authorised by the Act.

The wording of sections 4 and 25 in relation to each other gives rise to some difficulty of construction.

Inasmuch as a policy effected prior to the Act by a person without an insurable interest is not to be deemed to be void, it should be valid and enforceable. But to construe section 4 as applying to such a policy and so to hold that no premium can lawfully be received on the policy after the commencement of the Act would necessarily involve the lapse of the policy by non-payment of premiums without any provision being made for an equitable adjustment in respect of premiums already paid.

an amended rule or rules in conformity with this Act, and the Registrar shall thereupon acknowledge the receipt of the rules and register the society and its rules as hereinbefore provided.⁷

7. No Provident Insurance Society shall receive any premium or contribution unless it is registered in accordance with the provisions of this Act :
Unregistered society or contribution
 not to receive pre-
 mium or contribution.

Provided that this prohibition shall only apply to a society established before the commencement of this Act—

- (a) when such society has applied for registration in accordance with the provisions of section 6, sub-section (1)—from the date of the order of the Registrar refusing registry ;
- (b) when such society has not applied as aforesaid—after three months from the commencement of this Act.

It may be that the Act contemplates that such a policy shall cease to be renewed after the commencement of the Act, that no premiums shall henceforth be paid thereon, and that past premiums shall be regarded as exhausted or compensated for by the risk hitherto accepted by the Society, but that the policy shall be deemed to be valid for the purpose of enforcing any claim arising on it up to the date when the first premium after the commencement of the Act becomes due under the policy.

I am of opinion, however, that the proper construction, giving effect to what appears to be the intention of the Legislature, is that a policy effected prior to the Act by a person without an insurable interest shall be treated as a valid policy of insurance, and is by section 25 saved from the operation of section 4 so that premiums may lawfully be received on such a policy.

This view is confirmed by the marginal note to section 25 "Saving of existing policies."

A marginal note may be considered as explanatory of the enactment. In *Bushell vs. Hammond* it was said by Lord Collings "the side-note, although it forms no part of the section, is of some assistance, inasmuch as it shows the drift of the section" (73 L. J. K. B. 1005).

The corresponding English legislation, namely, section 36 (2) of the Assurance Companies Act, 1909, does not afford any assistance as it is more specific than the Indian Act.

It must be kept in mind that the Indian Act is limited in its application to policies effected with Provident Insurance Societies which do not undertake to pay on any life assurance policy an annuity exceeding Rs. 50 or a gross sum exceeding Rs. 500 (section 3). The Act does not apply to policies of assurance issued by an ordinary Insurance Company which is not a Provident Insurance Society as defined by the Act. The law as to insurable interest applicable to such policies is, therefore, unaffected by the Act.

(G. of I., Deptt. of C. & I. (Insurance), No. 6214-6227-97 of 1st August 1913, G. R. No. 9022 of 3rd October 1913.)

See also Advocate General of Bombay's opinion No. 59 of 1915, dated 10th September 1915 (printed after the Provident Insurance Societies Rules).

7 See Advocate General of Bombay's opinion No. 59 of 1915, dated 10th September 1915, paragraph 7 (printed at end of the Provident Insurance Societies Rules).

8. (1) No amendment of any rule of a Provident Insurance Society shall be valid until the same has been registered under this Act, for which purpose a copy of the amended rule shall be sent to the Registrar.

(2) The Registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Act, issue to the society an acknowledgment of the registration of the same.

9. Every Provident Insurance Society shall, on demand, deliver free of cost to any member of the society a copy of the rules of the society, and to any person other than a member a copy of such rules on the payment of a sum not exceeding one rupee.

10. Every Provident Insurance Society which is not registered under the Indian Companies Act, 1882,* shall cause to be kept in the prescribed form a register of the names and addresses of its members.

VI of 1882,
[* Now
Indian
Companies
Act, 1913.]

11. Where any notice, advertisement or other official publication of a Provident Insurance Society contains a statement of the amount of the authorised capital of the society, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

12. Every Provident Insurance Society which is not registered under the Indian Companies Act, 1882,* shall have an office on the outside of which it shall display and keep displayed its name in a conspicuous position in legible letters, to which all communications and notices may be addressed, and shall give notice to the Registrar of the situation of such office and of any change therein.

VI of 1882.
[* Now
Indian
Companies
Act, 1913.]

13. Every Provident Insurance Society shall, at the expiration of each financial year, prepare a revenue-account and balance-sheet in the prescribed form and verified in the prescribed manner, and shall cause them to be audited by an auditor possessing the prescribed qualifications.^{7(a)}

14. Every Provident Insurance Society shall, within six months of the expiration of each financial year, deliver to the Registrar the revenue-account and balance-sheet required by section 13, and shall publish them in the prescribed manner.^{7(b)}

7 (a) See rules 17, 18, and 15 pp. 29 and 30, *infra*.

7 (b) See rule 22 page 31, *infra*.

15. Every Provident Insurance Society shall maintain in the prescribed form a record of every insurance effected on a life other than the life of the person insuring, and shall deliver a copy of such record to the Registrar, together with the balance-sheet and revenue-account.^{7(c)}

16. The books of every Provident Insurance Society shall at all reasonable hours be open to inspection by the Registrar, or by any person appointed by him in this behalf or by any member of the society.

17. (1) The Registrar may, if he thinks fit, of his own motion, and shall, upon the application of ten or more members or policy-holders of a Provident Insurance Society, hold or direct an inquiry to be held by an actuary possessing the prescribed qualifications appointed by him by order in writing in this behalf as to the solvency of any Provident Insurance Society or as to the manner in which the business of any such society is conducted.

(2) An application to the Registrar under sub-section (1) shall be supported by such evidence as the Registrar may require for the purpose of showing that the applicants have good reason for applying for an inquiry.

(3) The Registrar may require the applicants under sub-section (1) to give such security as he thinks fit for the costs of the proposed inquiry before such an inquiry is held.

(4) All expenses of and incidental to or preliminary to any inquiry made on application as aforesaid shall be defrayed by the applicants therefor or out of the funds of the society or by the members or officers of the society in such proportions as the Registrar may direct by order in writing.

(5) An order made under sub-section (4) shall on application be enforced by any Civil Court having local jurisdiction in the same manner as a decree of such Court.

(6) A person holding an inquiry under this section shall have access to all the books and documents of the society, and shall have power to call upon the society and the officers of the society to furnish such statements and other information in relation to its business as he may direct.

(7) The result of the inquiry shall be communicated to the society and to the applicants (if any).

18. When an inquiry has been held under section 17, the Cancellation of Registrar may, if he is satisfied—
registry.

(a) that the society is insolvent, or must necessarily become so, or

(b) that the business of any such society is conducted fraudulently or not in accordance with the rules thereof,

after giving previous notice in writing in such manner as he thinks fit specifying briefly the grounds of the proposed cancellation, cancel the registry of the society.

19. (1) Where the registry of a Provident Insurance Society is cancelled in accordance with the provisions of section 18, the Registrar may appoint a Liquidators. liquidator to wind up the society.

(2) A liquidator appointed under sub-section (1) shall have power—

(a) to institute or defend any legal proceedings on behalf of the society by his name of office;

(b) to determine the contribution to be made by members of the society, respectively, to the assets of the society;

(c) to investigate all claims against the society and to decide questions of priority arising between claimants;

(d) to determine by what persons and in what proportions the costs of the liquidation are to be borne; and

(e) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to any rules of procedure made under this Act, a liquidator appointed under this section shall, in so far as such powers are necessary to carry out the purposes of this section, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and as far as may be in the same manner as is provided in the case of a Civil Court by the Code of Civil Procedure, 1908.

V of 1908.

(4) Orders made under this section shall on application be enforced as follows :—

(a) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as a decree of such Court;

(b) when made by the Court on appeal, in the same manner as a decree of the Court.

Appeals.

20. (1) An appeal shall lie to the Court within thirty days—
Appeals.

(a) from an order of the Registrar refusing to register a Provident Insurance Society or any rules or amendments of rules of such society;

(b) from an order of the Registrar cancelling the registry of a society;

(c) from an order made by a liquidator appointed under section 19.

(2) Save as hereinbefore expressly provided, orders made under this Act shall be final and conclusive.

Offences and Procedure.

21. Any Provident Insurance Society which makes default in complying with any of the requirements of this Act, and every director, manager or secretary, or other officer or agent of the society, who is knowingly a party to the default, shall be punishable with fine which may extend to five hundred rupees, or, in the case of a continuing default, with fine which may extend to two hundred and fifty rupees for every day during which the default continues.

22. If any register, account, balance-sheet or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine or with both.

23. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence.

Rules.

24. (1) The Local Government may make rules to carry out the purposes of this Act.

Rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may prescribe—

(a) contingencies or classes of contingencies and thereby extend the application of this Act to the receipt of premiums or contributions for insuring money to be paid on the happening of such contingencies or class of contingencies;

- (b) the matters in respect of which a society shall make rules;⁸
- (c) the form of any account, return or register required by this Act, and the manner in which any such account, return or register shall be verified;
- (d) the fees to be charged for matters transacted under this Act, and the manner in which the same are to be collected;
- (e) the qualifications of auditors and actuaries under this Act;
- (f) the manner in which any document required to be published by this Act shall be published; and
- (g) the procedure to be followed by liquidators under this Act.

(3) The power to make rules conferred by this Act is subject to the condition of the rules being made after previous publication.

(4) All rules made under this Act shall be published in the local official Gazette, and on such publication shall have effect as if enacted therein.^{8(a)}.

Miscellaneous.

25. No policy effected before the commencement of this Act with a Provident Insurance Society shall be deemed to be void by reason only that the insurance is not authorized by this Act.*

Saving of existing policies.

26. The Local Government may, by notification in the local official Gazette, and subject to such conditions and restrictions as it thinks fit, exempt any Provident Insurance Society or class of Provident Insurance Societies from all or any of the provisions of this Act.^{8(b)}.

Power of Local Government to exempt from provisions of the Act.

⁸ The provisions of section 24 (2) (b) of the Provident Insurance Societies Act, V of 1912, confer on the Local Government very wide rule making powers.

(Paragraph 2 of the letter from G. of I., Department of C. & I., No. 10561-96 dated 10th December 1913; G. R. No. 6483, dated 14th July 1914.)

⁸ (a) Rules made under section 24 were published in *B. G. G.*, Part I, pages 1579 to 1597, on 16th July 1914 and are appended hereto. See pages 24 to 53, *infra*.

*See Note after Section 4.

⁸ (b) The G. I. P. Railway Employés Death Benefit Fund is exempted from all the provisions of the Act on the conditions that it is maintained for the benefit of the employés of the G. I. P. Railway and that its accounts are audited and certified as correct by the Chief Auditor and Accountant of the G. I. P. Railway Company (Government Notification No. 8250, Revenue Department, dated 10th August 1918, published at page 1664. Part I, *B. G. G.*, dated 29th August 1918).

THE BOMBAY PROVIDENT INSURANCE SOCIETIES RULES, 1914.

1. These rules may be called the Bombay Provident Insurance
Short title. Societies Rules, 1914.

2. In these rules, unless there is anything repugnant in the
Definitions. subject or context,—

(a) "The Act" means the Provident Insurance Societies Act,
1912;

(b) "Society" means a "Provident Insurance Society to which
the Act applies";

(c) "Provident Insurance business" means any class of busi-
ness to which the Act applies;

(d) "Dividing society business" means provident insurance
business under which the amount payable on the policy money
becoming due is not fixed but depends either partly or wholly on
the results of the division of any portion of the premium, income
or funds amongst the policies which have become due for pay-
ment in proportion to the premiums received under each class in
any specified period;⁹

(e) "Bond Investment business" means the issue of bonds or
policies by which the Society in return for premiums or subscrip-
tions payable at periodical intervals of one year or less, contract
to pay the legal holder of the bond or policy a sum at a future date
either with or without the other specified benefits such as the right
to share in the profits of the society or to an advance for certain
specified objects, and not being Life Assurance business;

(f) "Ordinary Life Assurance business" means life assurance
business transacted on similar lines to those adopted by ordinary
life assurance companies, namely, by granting annuities on human
life, or by assuring a fixed sum payable at death, on survivance or
on the happening of any contingency dependent on human life in
return for a premium which is fixed at the outset for each age at
entry. This shall not exclude the case of sums assured and pre-
miums which vary as the result of bonus ascertained by an actuarial
valuation conducted in the manner provided for in Schedule IV
of the Indian Life Assurance Companies Act, 1912.

3. The provisions of the Act shall, in addition to the contin-
Contingencies pres- gencies of birth, marriage and death prescrib-
cribed under the Act. ed in section 2 (8) of the Act extend to the
receipt of premiums, or contributions for in-
suring money to be paid on the happening of any of the following
contingencies, or of any other uncertain event coupled therewith,

⁹ See Advocate General of Bombay's Opinion No. 59 of 1915, dated 10th
September, 1915 (printed at end of the Rules), paragraph 6. Page 57, *infra*.

and shall apply to any society receiving such premium or contributions, namely :—

The payment of sums on a person or persons surviving a given term, age or contingency, and the contingencies arising under any other life assurance business which is not subject to the provisions of the Indian Life Assurance Companies Act, 1912;

Bond Investment business;

failure of issue;

provision for the expenses of any ceremonial occasion such as betrothal, circumcision, thread ceremonies, shaving of the head, etc., which is generally observed among the different communities in India;

unemployment or retirement from business;

sickness; and

accident.

Provided always that the Act shall not apply to any society which is subject to and complies with the provisions of the Indian Life Assurance Companies Act, 1912.

4. The following fees shall be payable to the Registrar in cash or by postal money-order for matters transacted under the Act :—

Registration fees.

(1) Registration of a society (section 6 of the Act), Rs. 100 : provided that a society which has been already registered under the Indian Companies Act shall be exempt from payment of any fee for registration under this Act.

(2) Registration of amendment of a rule (section 8 of the Act), Rs. 5 : provided that no more than a single fee of Rs. 5 shall be leviable for the amendment of more than one rule when such amendment is intimated to the Registrar in the same communication.¹⁰

5. (1) No society subject to the Act, other than a society registered under the Indian Companies Act

Name. before the date of these rules, may register hereafter with a name in which the words "life assurance" or "life insurance" occur, or having a name either the same as that of any existing society or other company or so nearly resembling it as to be likely to lead to confusion.

(2) The name of every society, which is required by section 12 of the Act to be displayed in a conspicuous position in legible letters on the outside of the office of the society, shall be displayed in English and in the Vernacular of the district in which the office

¹⁰ No fee should be levied for the filing of the Revenue accounts, the Profit and Loss accounts and the Balance sheets of Provident Insurance Societies or for the issue of certificates under the Provident Insurance Societies Act, V. of 1912 (G. O., R. D., No. 7598, dated 22nd July 1918).

is situated : provided that in the case of offices of societies in the town of Bombay it will be sufficient if the name of the society is displayed in English alone.

6. In accordance with the provisions of section 5 of the Act, every society, Matters to be provided for by the rules.

- (1) if already existing, shall provide, within six months from the date of these rules, for such of the matters mentioned in the attached Schedule as are not already provided for in their rules ; always subject to the condition that the terms of the then existing contracts shall not be altered to the detriment of the policy-holders.^{10(a)}.

If in any case it is made to appear to the Registrar that the circumstances are such that a longer period than six months should be allowed, he may extend that period by such time as he may think fit.

- (2) if not existing, shall provide in their rules before registration under the Act, for the matters mentioned in the said Schedule.

A copy in English of the rules of the society and of the Schedule duly completed as above, shall, within fifteen days from the date of the adoption of the rules, be sent to the Registrar. Blank forms of the Schedule may be obtained from the Registrar and should be used on each occasion when particulars are being submitted in compliance with this rule. The copy of the rules or amended rules of a society required to be forwarded in compliance with this rule and sections 6 and 8 of the Act shall not be accepted for registration unless it is certified to be a correct copy and is signed by the Chairman or Managing Director as well as by the Manager or one of the other responsible officers of the society.

7. (1) Any person who, as an Actuary, investigates the financial condition of a society or signs valuation returns of a society shall be either—
Qualifications of Actuaries under the Act.

- (i) a Fellow of the Institute of Actuaries, London, or a Fellow of the Faculty of Actuaries in Scotland ; or,
- (ii) where application is made by a society or by the Registrar and where, in the opinion of the Governor in Council, special circumstances exist,—
 - (a) an Associate of such Institute of Actuaries or of such Faculty of Actuaries ; or
 - (b) such other person having actuarial knowledge as the Governor in Council may authorize to be employed to perform the duties of an Actuary.

^{10(a)}(For schedule see page 32, *infra*.)

(2) Every application by a society for permission to employ as an Actuary any person other than a Fellow of the Institute or Faculty of Actuaries shall state the work for the performance of which such person is required, and the Governor in Council, if he grants the application, shall cause a certificate to be issued to the society permitting, subject to such conditions and restrictions as he thinks fit, the employment of the person mentioned in the application.

8. An Actuary, when investigating the financial condition of a society, shall either satisfy himself as to the accuracy of particulars, the accuracy of the particulars extracted from the books or require a certificate of their accuracy from the Manager and one other responsible officer of the society.

9. An Actuary, when investigating the financial condition of a society, shall comply with the requirements of the forms set forth in the Fourth and Fifth Schedules of the Indian Life Assurance Companies Act, 1912, or as near thereto as circumstances will permit, and in addition he shall report—

- (a) whether the calculations are correct and made on the principles which are contained in the statement required by the Fourth Schedule to the Indian Life Assurance Companies Act, 1912;
- (b) whether these principles have his approval;
- (c) whether he has obtained all the information and explanations that he has required;
- (d) what adjustment was used in the valuation to allow for unequal incidence of the premium income, and for premiums payable more often than once a year;
- (e) the method by which both the ages at entry and the ages at valuation were arrived at;
- (f) the rate at each age of the mortality assumed and of the annuity values used in the valuation where the tables employed are not published;
- (g) whether all negative values were eliminated from the valuation; and
- (h) the reserve values held against policies effected at ages 20, 30, 40 and 50 and which have been in force for 1, 2, 3, 4, 5, 10, 15 and 20 years, respectively, in respect of—
 - (i) Whole life Assurances with premiums payable throughout life;
 - (ii) Whole Life Assurances with premiums payable for 20 years;

- (iii) Endowment Assurances payable at age 60 or previous death.

10. In the event of the Actuary finding that the financial condition of the Society is such, in his opinion, that no payment should be made either of bonus to policy-holders or of dividend to members, he shall state whether or not he finds the society to be solvent. If he finds it to be insolvent—

(a) he shall state whether he considers that the society could be made solvent as regards existing contracts by the transfer of its subscribed capital (whether paid or unpaid) to make good the deficiency in the Funds. If so, he shall state what, in his opinion, is the amount so required, and whether or not any alteration would require to be made in the rates of premium for future entrants;

(b) if he considers that the society cannot be made solvent as regards existing contracts by the transfer of the whole of the subscribed capital to the credit of the Funds in deficit, he shall state what proportion of the sum assured the society would, in his opinion, be able to meet under such contracts, if all the premiums thereunder were reduced proportionately with the sum assured, and all subscribed capital were fully paid up and transferred to such Funds.

11. The Registrar, before cancelling the registry of a society under section 18 of the Act, may—
 Power of Registrar to postpone order under section 18.

(a) suspend further proceedings for such time as he thinks fit, to enable the unpaid subscribed capital, or a sufficient part thereof, to be called up for the purpose of making good deficiencies in the funds;

(b) consent to the society reducing the amount of its contracts upon such terms and subject to such conditions as he thinks just as a means towards winding up.

12. The Registrar shall not appoint a liquidator under section 19 of the Act in the case of a society subject to the law for the time being in force in British India relating to the registration of Companies.
 Liquidation of Societies registered under Indian Companies Act.

13. When a liquidator has been appointed in terms of section 19 of the Act he may, if he thinks fit, reduce the amount of each of the contracts of the society upon such terms and subject to such conditions as he may think just, as a means towards winding up.
 Liquidator may reduce contracts.

If the contracts are not to be reduced in amount as here provided, the liquidator shall ascertain the value of the liability of the society to each person appearing by the books of the society to be entitled to or interested in policies granted by such society. He shall give written notice to such persons of the value so ascertained.

14. The accounts of every society not subject to audit in accordance with the provisions of any law for the time being in force in British India regarding the registration of companies shall be audited in accordance with that law.

15. (1) Members of Institutions or Associations notified by the Qualifications of Governor General in Council under the proviso to sub-section (1) of section 144 of the Auditors under the Act. Indian Companies Act, 1913 (VII of 1913) shall be regarded as qualified without certificate to audit the accounts of provident insurance societies throughout the Presidency of Bombay.^{10(b)}

(2) Holders of Auditors' Certificates granted by the Governor in Council under sub-section (2) of section 144 of the Indian Companies Act, 1913 (VII of 1913) and of "unrestricted" certificates (that is to say, certificates valid throughout British India), granted by other Local Governments in exercise of the same statutory power shall be regarded as qualified to audit the accounts of provident insurance societies throughout the Presidency of Bombay.

(3) In addition to the persons specified in clauses (1) and (2) the following persons may audit the accounts of Provident Insurance Societies, namely; a Fellow or an Associate of the Institute of Actuaries, London; or a Fellow or an Associate of the Faculty of Actuaries in Scotland.¹¹

16. Every auditor auditing under the Act the accounts of a society shall state the following additional particulars in his report—

Additional particulars in case of societies to which Act applies.

- (a) whether or not he has personally verified the whole of the investments with the securities and other vouchers and is satisfied as to their correctness;
- (b) any other matters that he considers should be brought to the notice of the members or policy holders of the society.

^{10 (b)} For notification *see* note 64, page 209. and rule 11. Auditor's Certificate rules, page 434. *infra*.

¹¹ G. O.. R. D. No. 13047 dated 6th December, 1915 (Bombay Govt., Notification No. 13047 dated 6th December 1915 published at page 2953 Part I. on 9th December 1915).

17. The accounts shall consist of the Revenue Account, Profit and Loss Account and Balance Sheet as prescribed in the forms marked A, C and D appended to these rules; but a society may, if it so desires, submit a separate Revenue Account (precisely similar to form A) for any class of business carried on by it, but the transactions in respect of a class of business not prescribed under the Act or the rules made thereunder shall not be shown in a Revenue Account showing the transactions in respect of any business which is so prescribed. The Accounts shall be signed by all the directors of the society and by the Manager and one of the other responsible officers. If any of these omit to sign, the reason shall be stated. Other statements shall be prepared each year in the following forms appended to these rules and signed by the Chairman or Managing Director (if any) as well as by the Manager or one of the other responsible officers of the society :—

- Form B—giving particulars of expenditure which has not been charged as such.
- Form E—giving particulars of the relationship existing between the lives assured and those effecting policies.
- Form F—giving particulars of the numbers of policies effected at different ages.
- Form G—showing the magnitude of the society's policy contracts.
- Form H—giving particulars of the new business each year.
- Form I—showing for each year the additions to and deductions from the number of policies and the sums assured thereunder.
- Form J—giving particulars for each year since the formation of the society of the number of policies that have gone off the books for various reasons.
- Form K—showing the claims under dividing society business arranged according to the duration of the policies.
- Form L(1) & L(2)—giving examples of the sums paid in past years under dividing society business.

The Registrar may, on the application and with the consent of a society, alter those forms as regards that society for the purpose of adapting them to the circumstances of that society.

18. The Chairman or Managing Director (if any) as well as the Manager and one of the other responsible officers of the society shall sign all the accounts and balance sheet, abstracts or statements sent to the Registrar.

19. The receipt of an annual return by the Registrar implies no approval of anything it contains. An acknowledgment of the fact that documents purporting to be the annual returns of a particular society have been received will be given, but the acknowledgment does not imply that a valid return has been made or indicate approval of anything that it contains.

20. Documents required under the Act to be submitted to the Registrar shall be open to inspection on payment of a fee of one rupee; and any person may procure a copy of any such document or a part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

21. If the general meeting before which the accounts are laid does not adopt them, a statement of the fact and of the reasons therefor shall be annexed to the balance sheet and to the copies thereof required to be filed with the Registrar.

22. A notice or other document shall be deemed to have been duly published under the Act if copies have been printed in English or the vernacular of the district and sent to the Registrar and to all members and policy-holders.

23. Every society having a share capital and which is not registered under the law for the time being in force in British India relating to the registration of companies shall keep in one or more books a register of its members and enter therein the following particulars:—

- (i) the names and addresses, and the occupations if any, of the members, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;
- (ii) the date at which each person was entered in the register as a member;
- (iii) the date at which any person ceased to be a member.

24. A register of all ordinary life assurance policies issued by a society at any time whether or not they are now in force, shall be maintained by the society in Form M appended to these rules or as near thereto as circumstances will permit.

25. A register or registers of all policies, other than those of ordinary life assurance now in force, and of those issued hereafter, shall be maintained by the society in Form M appended to these rules or as near thereto as circumstances will permit.

SCHEDULE.

The matters required to be prescribed by the rules of the society are provided for in the subjoined Schedule :—

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
(a) The name and place of the Head Office in British India, the object of the Society and the whole of the contingencies in respect of which it will receive premiums.	(a)
(b) That the society shall not issue any policy either to or for the use of any person other than the life assured without inserting in the policy the name of the person by whom, and for whose use, it is effected and unless the life assured has given his consent in writing to the insurance being effected (if the latter be not of age the written consent of his legal guardian is required). The rules shall also provide that the amount to be assured under a policy effected by or for the use of a person other than the life assured shall not be unreasonable for the purpose of covering the expense or loss which such person has a <i>bona fide</i> expectation that he will incur in the event of the death of the life assured. ¹² and ¹³	(b)
(c) The persons who may effect policies and the persons on whose lives policies may be effected, stating for each class of contingency the limits of age for male and female lives separately; also the conditions to be complied with by persons applying for insurance in respect of each class of contingency, stating the payments to be made— (1) on application; (2) on admission; (3) as monthly or other periodical premiums or contributions and the period for which they are payable; (4) as fine or other charge for late payment of premiums or contributions; (5) on any other account in respect of the insurance.	(c)
(d) The maximum sum, including all bonus additions or other benefits, payable (1) at death and (2) on the happening of each other contingency insured against by the society under policies effected on any one life since the date of the Act, and the maximum number of policies under each different class of Provident Insurance business which a single person may hold.	(d)
(e) The conditions under which any policy-holder may become entitled to any of the benefits assured, especially as regards—	(e)

12 The words 'unless the life assured has given his consent in writing to the insurance being effected' which appear in clause (b) of the schedule to the rules, are designed to act as a check upon gambling on human life. The prevention of this evil formed one of the main objects with which the Provident Societies legislation was undertaken.

(G. of I., Deptt. of C. & I., No. 10561, dated 10th December 1913; G. R. No. 6483, dated 14th July 1914.)

13 The term 'legal guardian' in clause (b) of the schedule may be interpreted in a wide sense so as to include any person legally appointed to act as guardian.

(R. L. A. No. 1521, dated 6th June 1914; G. R., No. 6483, dated 14th July 1914.)

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
<p>(1) the period, if any, during which the happening of the contingency insured against will entitle the policy-holder.</p> <p>(a) to receive no payment :</p> <p>(b) to receive a reduced payment, in which case the particulars will require to be stated in the rule :</p> <p>(2) any advance or loan which is guaranteed after payment of premiums for a stated number of years ;</p> <p>(3) any benefits of whatever kind which are determined by lot or ballot ;</p> <p>(4) the exact method of division in the case of dividing society business ;</p> <p>(5) the nature of the evidence required to prove birth, marriage, death or any event, on the happening of which, the insured amount is payable ;</p> <p>(f) Disqualifications due to change of occupation, residence, or other specified cause ;</p> <p>(g) The length of notice to be given to policy-holders of any required payment of premium before the benefits under the policy lapse or are modified in any way as a result of non-payment, also the consequence of delay in paying any premium, or other contribution also ; the conditions under which the right to full benefit will be restored to a policy-holder whose policy has been altered in any way in consequence of any payment being made late.</p> <p>(h) The terms under which any policy may be (1) surrendered for a cash payment or (2) kept in force for a reduced benefit without liability to payment of further premiums.</p> <p>(i) That the conditions governing policies as regards the matters mentioned in (e), (f), (g) and (h) above shall be fully set forth in each policy issued after a period not exceeding one month from the date of the registration of the rules providing for such matters.</p> <p>(j) The appointment, qualifications and powers of the managing body and officers of the society, the conditions under which they may be removed, the method of voting at the meetings of the managing body and the number constituting a quorum.</p> <p>(k) As to the rights (if any) of policy-holders (1) to vote at a general meeting of the society, (2) to appoint persons to represent them on the managing body and (3) to appoint an auditor.</p> <p>(l) The length of notice to be given of general (or special) meetings of the society ; the length of notice required to be given of any resolution to be proposed at these meetings : the method of voting at them and the number constituting a quorum ; and the matters which must be brought before such meetings.</p> <p>(m) The classes of security in which the funds of the society may be invested.</p> <p>(n) The procedure to be adopted in making new rules or in altering or repealing existing rules, and prescribing that no such amendment or repeal shall detrimentally affect the terms of contracts then existing, and that copies of amended rules required under section 8 (1) of the Act to be sent to the Registrar shall be so sent within fifteen days from the date of their adoption, and that within one month after their registration a copy of any alteration</p>	<p>(f)</p> <p>(g)</p> <p>(h)</p> <p>(i)</p> <p>(j)</p> <p>(k)</p> <p>(l)</p> <p>(m)</p> <p>(n)</p>

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
<p>in the rules which in any way applies to or affects the rights of the then existing policy contracts shall be sent to each policy-holder.</p> <p>(o) Prescribe the proportion of the annual income of the society derived from premiums or contributions which may be disbursed for the expenses of management of the society, and the method of apportioning the income and the expenses between each class of provident insurance and any other class of business which the society may transact.</p> <p>(p) In the case of a society which by rule or practice divides any part of the funds thereof, provide for the payment of all debts due by the society existing at the time of division before any such division has taken place.</p> <p>(q) That every society shall keep a separate account of all receipts and disbursements in respect of each class of business transacted, and the receipts (less the disbursements) of each class shall be carried to and form a separate fund with an appropriate name; Provided that nothing in this rule shall require the investments of any fund of a class of business prescribed under the Act or the rules made thereunder to be kept separate from the investments of any other such fund, but the rule shall provide that the investments of any fund of a class of business not prescribed under the Act or the rules made thereunder shall be kept separate from the investments of the funds of business which are so prescribed and shall not be shown in the Balance Sheet (Form D appended to these rules) for the latter business. (See note under r).</p> <p>(r) That a fund of any particular class of business prescribed under the Act or the rules made thereunder shall be as absolutely the security of the policy-holders of that class as though it belonged to a society carrying on no other business than insurance of that class, and shall not be liable for any contracts of the society for which it would not have been liable had the business of the society been only that of insurance of that class, and shall not be applied, directly or indirectly, for any purposes other than those of the class of business to which the fund is applicable. ¹⁴</p> <p>(s) The provision, if any, made for the financial position of the society being ascertained by an Actuary, and prescribing that if ordinary life assurance business be transacted by the society it shall neither use any portion of the Life Assurance Fund towards payment of dividend nor allot any bonus to its life assurance policies either by way of addition to the sum assured or to the</p>	<p>(o)</p> <p>(p)</p> <p>(q)</p> <p>(r)</p> <p>(s)</p>

¹⁴ Clauses (q) and (r) of the schedule to the rules are supplementary to rule 17 and Forms A, C and D. Any points they deal with which are not dealt with either in rule 17 or in the headings or foot-notes to Forms A, C and D might have been dealt with in that manner; but in framing the rules it was considered desirable to give prominence to all the points by providing for them in the rules of each society. The Act gives power to prescribe the forms of account, and under that power, forms have been prescribed which provide separate funds for each class of business. This prescription again naturally suggested the necessity for the conditions laid down in clause (r).

(G. of I., Dept. of C. & I., No. 10561-96, dated 10th December 1913; G. R. No. 6483, dated 14th July 1914.)

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
<p>amount of annuity or as a cash payment or reduction of premium except as the result of an actuarial valuation conducted as prescribed by sections 8, 9 and 10 of the Indian Life Assurance Companies Act, 1912. The rules shall also provide that any society transacting ordinary life assurance business shall undergo such a valuation at any time it may choose before the 1st January 1917 and at intervals of not more than seven years thereafter and submit the returns to the Registrar in the form as prescribed by the Indian Life Assurance Companies Act, 1912. ¹⁵</p> <p>(t) The method of ascertaining the amount of profit made by the society and the method of distributing such profit amongst policy-holders and shareholders. (t)</p> <p>(u) That the paid up capital shall not be treated as part of the society's assets for the purpose of showing a divisible surplus at the time of any actuarial investigation of the financial condition of the society. (u)</p> <p>(v) That no portion of the paid up capital or other assets shall be released from liability in respect of provident insurance business until the funds applicable to such business are solvent otherwise than by a reduction of the policy contracts. The rules shall also prescribe that no money shall be allocated for payment of dividends on shares at any time while such funds are not solvent otherwise than by a reduction of such contracts. (v)</p> <p>(w) That after the accounts have been duly audited, a copy thereof and of the statements detailed in rule 17 shall be sent to every member and policy-holder entitled to vote at a general meeting, so that at least seven days shall intervene between the day on which they are sent and the last day on which notice of any resolution to be brought before the general meeting will be accepted. That during the period from the date when such accounts and statements have to be sent to members until the time of their adoption in general meeting, they shall be deposited at the Head office and copies thereof at the principal branch or agency office in each of the provinces in which the society transacts business, for the inspection of any member or policy-holder of the society. (w)</p> <p>(x) That the accounts and statements prescribed under the Act shall be laid before the annual general meeting within six months of the expiration of each financial year of the society (except in the case of a report by an Actuary on the financial position of the society when twelve months are allowed), and within 15 days after having been laid before the general or special meeting of the society and before the expiration of the before-mentioned period of six months (or twelve months, in the case of an actuarial report), three copies in English, and one in the vernacular, if any, of such accounts, (x)</p>	

¹⁵ With reference to clause (s) the employment of actuaries is contemplated by the Act which by section 24 (2) (e), gives Local Governments the power to prescribe their qualifications. Clause (s) is designed to provide for the circumstances and method in which an actuarial valuation should be made.

¹⁶ G of I., Dept. of C. & I., No. 10561-96, dated 10th December 1913; G. R. No. 6483, dated 14th July 1914.)

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
<p>statements and actuarial report (if any), as well as of the report of the Directors or other managing body, and of each resolution adopted at such meeting shall be sent to the Registrar. The rules shall also prescribe that after the accounts have been passed and the report adopted by the society, they, together with a copy of each resolution adopted at the meeting passing such accounts or reports, shall within one month from the date thereof be sent to each member and to each policy-holder.</p> <p>(y) That any member or policy-holder shall be entitled at any time to be furnished by the society with a copy of any part of any account, abstract, statement, or report, which has been submitted to the members or policy-holders at a charge not exceeding six annas for every hundred words or part thereof required to be copied.</p> <p>(z) The procedure to be followed in the event of voluntary winding up of the society if it be not registered under the Indian Companies Act.</p>	<p>(y)</p> <p>(z)</p>

FORM A.

(Referred to in Rule 17.)

Revenue Account of the Society for the year ending
19 (for all business prescribed under the Act or the rules
made thereunder).

	Rs.		Rs.
Amount of Funds at the beginning of the year :—		Dividends to shareholders payable on 19 for the year ending 19	
Life Assurance Fund		[This is to be stated here by societies not supplying a Profit and Loss Account.]	
Marriage Insurance Fund		Claims under policies paid and outstanding :—	Rs.
Investment Reserve Fund		By death	
Dividend Reserve Fund		By survivorship	
Other Funds (to be stated separately).		By marriage	
		By birth	
		(Other classes to be specified)	
Shareholders capital paid up at beginning of year.		Annuities.	
Shareholders' capital paid up during the year.		Surrenders, including surrenders of bonus additions	
Premiums :—	Rs.	Bonuses in cash	
insuring sums at death		Bonuses in reduction of premiums	
insuring sums on survivorship only		Expenses :—	
insuring sums on marriage.		Commission	
insuring sums at birth		Agents, and canvassers' allowances	
insuring other benefits (to be specified).		Salaries, etc. (other than to agents and canvassers).	
Consideration for Annuities granted.		Travelling expenses	
	Rs.	Directors' fees	
Interest, dividend, and rents falling due in year.		Auditors' fees	
		Medical fees	
		Actuarial fees	
		Rents for offices belonging to and occupied by the Society.	
Less income-tax thereon		Rents of other offices occupied by the Society.	
		Law charges	
Entrance fees		Advertising	
		Printing and stationery	
		Other expenses incurred in year (accounts to be specified).	
Charge for policy stamps		Other payments (accounts to be specified).	
		Shareholders' Capital paid up at end of year as per Balance Sheet	
Fines or other charges on account of premiums paid late		Amount of Funds at the end of the year as per Balance Sheet	Rs.
Other sums falling due in year (accounts to be specified).		Life Assurance Fund	
		Marriage Insurance Fund	
		Investment Reserve Fund	
		Dividend Reserve Fund	
		Other Funds (to be separately stated).	

Note 1.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the society's risks.

Note 2.—Every society transacting dividing society business shall show in its accounts both the premium income and the claims of each class of such business separately from the premiums and claims of the other classes of business transacted by the society.

Note 3.—If any class of policy is not qualified for full benefits until after the first year or other stated period, the premium income of that class will be separated accordingly in the above account. In the case of a society having more than one qualifying period for any such business the premium income shall be shown separately for each qualifying period.

Note 4.—If any sum has been deducted from the expenses account and taken credit for in the balance sheet as an asset, the sum so deducted shall be shown as in Form B which shall be submitted along with the Revenue Account. Any sum treated as an asset in this manner should be written off through the Revenue Account within five years from the date on which the expense was incurred; but in any case, the amount must not be treated as an asset at the time of any actuarial valuation made hereafter of the society's assets and liabilities.

Note 5.—The society may, if it so desires, show in this account the amount of commission on new business separately from commission on renewal premiums.

FORM B.

(Referred to in Rule 17.)

Statement regarding preliminary expenses, extension of business, etc.

	Rs.
Balance at beginning of year of preliminary and other expenses not shown as expenditure in the Revenue Account, but appearing as assets in the Balance Sheet of the society for the year ending 19 ...	
Addition thereto during the year <i>not</i> shown as expenditure in Revenue Account ...	
Less amount written off during the year as per Revenue Account ...	
Balance at the end of year of preliminary and other expenses not yet shown as expenditure in the Revenue Account but meantime shown as assets in the Balance Sheet.	

Total Rs. ...

The society shall state what arrangements, if any, have been made to write off the balance of—

- (1) Preliminary Expenses, etc.
- (2) Cost of Furniture.

FORM C.

(Referred to in Rule 17.)

Profit and Loss Account of the _____ society for the
year ending 19____ (to be completed by all societies except those carrying on no other business than ordinary life assurance).

	Rs.		Rs.
Balance of last year's account		Dividends to shareholders payable on 19____ for the year ending 19____	
Interest and dividends not carried to other accounts*. Less income-tax thereon .		Expenses not charged to other accounts.	
		Loss realised† (accounts to be specified).	
Profits realised† (accounts to be specified).		Other payments (accounts to be specified).	
Other receipts (accounts to be specified)		Balance as per Balance Sheet .	

*The only sum which it is permissible to enter here is the amount of interest and dividends produced by the investments representing the paid up capital.

†Profits (or losses) which do not belong to any specific fund and any profits (or loss) on the realisation of investments representing paid up capital shall be entered here.

FORM D.

(Referred to in Rule 17.)

Balance sheet of the _____ society for the year ending 19____
for the classes of business prescribed under the Act or the
rules made thereunder which are transacted by the society.

Liabilities.		Assets.	
	Rs.		Rs.
Funds.	Life Assurance Fund	Mortgages of property	
	Marriage Insurance Fund	Loans on society's policies within their surrender value.	
	Investment Reserve Fund	Loans on personal security	
	Dividend Reserve Fund	Other loans (to be specified)	
	Other Funds contained in Revenue Account (to be stated separately).	Investments in Government secu- rities or in other bonds, deben- tures, stocks and shares (to be given in detail here, or if nume- rous the details may be stated on a schedule, the total of the schedule agreeing with the Balance Sheet figure).	
	Balance of Profit and Loss Account	House property	
	Total funds as per Revenue and Profit and Loss Accounts.	Branch and agency balances	
Capital.	Shareholders' capital paid up at end of year as per Revenue Account	Outstanding premiums renewable*	
		Outstanding interest dividends and rents*	
Outstanding liabilities.	*Claims admitted or intimated but not paid, as under :—	Interest accrued but not payable*	
		Cheques paid into Bank and in course of realisation.	
	Life Assurance	Cash on deposit with the..Bank ..	
	Marriage Insurance " "	Cash in hand or on current account with the.....Bank	
	Other classes of business (to be specified).	Other assets (to be specified)	
	Unpaid Dividends*		
	Deposits		
	Cheques issued but not pre- sented for payment.		
	Other sums owing by the society* (such as sums borrowed by the society, commission due but unpaid, surrender values outstanding, to be stated separately under each class of business).		

*These sums are or have been included in the corresponding items in Form A.

Note 1.—The balance sheet must state how the values of the stock exchange securities are arrived at and a certificate must be appended, signed by the same persons as signed the balance sheet to the effect that in their belief the assets set forth in the balance sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

Note 2.—A certificate must be appended hereto, signed by the same persons as signed the balance sheet and by the auditor to the effect that no part of any fund has been applied directly or indirectly for any purpose other than the class of business to which it is applicable.

Note 3.—Societies having investments with any uncalled liability shall state separately the full amount thereof.

Note 4.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a society or to any other society in which any of the said directors or officers may hold the position either of director or of officer.

Note 5.—Particulars must be given of all commission or other allowance due or paid to any director or manager or other responsible officer of the society in respect of new business procured.

Note 6.—Particulars must be given of the balance of the above-mentioned branch and agency balances and outstanding premiums, interest, dividends and rents remaining unpaid at the date of the auditor's report.

In the Revenue Account should be entered all the financial transactions of the society by way of income and expenditure during the year, whether such transactions have been completed by the actual receipt or payment of cash, or are outstanding at the end of the year.

On the *Income* side of this account should appear the premiums for each different class of insurance, all entrance fees, fines and other sums due to the society during the year (whether received or not) under the several items provided in the forms—

(a) investments made or realized should not be entered in this account but only the *gain* or *loss* made on their realisation which should appear as income, if gain, and as expenditure if loss.

(b) No deposits in, or withdrawals from, Bank are to be brought into this account.

On the *Expenditure* side should appear all expenses incurred during the year (whether paid or outstanding) under the several items provided in the form. Bad debts, losses on Agents' balances should be shown as expenditure.

No item can be included in the funds at the end of the year which was not included in the funds at the beginning of the year unless it is shown as an item of income of the year. Similarly no diminution can be made in any of the funds in any year without appearing as an item of expenditure in the Revenue Account for that year.

The amount of each different fund at the beginning of the year, should be the same amount which was stated in the Revenue Account of the society's last return as the amount of those funds at the end of the year.

If the balance of any account shown in the previous return be found incorrect, the corrected balance should be brought forward in the next return, and an explanation of the difference given on the form itself.

On the Liabilities (or left-hand) side of the Balance Sheet there should be brought from the Revenue Account the amounts of the Funds at the end of the year, as indicated on the form; and the particulars stated of any debts incurred on behalf of the society, cash (if any) due by the society, and any other liabilities incurred by it which may be outstanding at the end of the year.

On the Assets (or right-hand) side should be shown the society's investments together with the cash in hand and any other assets of the society. Amongst such other assets will be, for instance—

- branch and agency balances;
- outstanding premiums;
- outstanding interest;
- interest accrued but not payable;

- cheques paid into bank and in course of realisation.

The amounts of these items shown in the balance sheet will, in the main, be received during the next financial year, but they must not again be included amongst the premiums, interest or cash in the Revenue Account, as they have already been included in the amount shown in that year's Revenue Account as "Amount of Funds at the beginning of the year".

Some of these outstanding items which have been taken credit for as an asset may never be paid at all. The amount of those not realized will have to be written off through the Revenue Account and the funds will be decreased accordingly.

FORM E.

(Referred to in Rule 17.)

Giving particulars of the relationship existing between two lives
assured and those effecting policies.
Submitted by the society for the year ending 19

		Number of Tables in prospectus of society.		
		Table No. 1.	Table No. 2.	Etc.
(1) Number of Policies assuring money to be paid on death of a male life—				
effected during the year by the life assured	..			
" " his wife	..			
" " " son	..			
" " " daughter	..			
" " " father	..			
" " " mother	..			
" " " brother	..			
" " " sister	..			
" " any person other than the above relations.	..			
(2) Number of Policies assuring money to be paid on the death of a female life—				
effected during the year by the life assured	..			
" " her husband	..			
" " " son	..			
" " " daughter	..			
" " " mother	..			
" " " brother	..			
" " " sister	..			
" " any person other than the above relations.	..			
Total number of policies (assuring money to be paid on death) effected in the year under each different class.				

FORM F.

(Referred to in Rule 17.)

Giving particulars of the numbers of policies effected at different ages.

Submitted by the _____ society for the year ending 19 _____

Age of life assured.				Number of policies effected in the year under review assuring sums payable at death.			
				Table No. 1.	Table No. 2.	Table No. 3.	Etc.
Under 5 years	..						
Over 5 and under 10	..						
" 10 " 15	..						
" 15 " 20	..						
" 20 " 25	..						
" 25 " 30	..						
" 30 " 35	..						
" 35 " 40	..						
" 40 " 45	..						
" 45 " 50	..						
" 50 " 55	..						
" 55 " 60	..						
" 60 " 65	..						
" 65 " 70	..						
" 70 .. ..	..					
Total number effected under each of the life assurance tables;				(These totals should agree with the totals in Form E.)			

FORM G.

(Referred to in Rule 17.)

Showing the magnitude of the Society's Policy contracts.
Submitted by the _____ society for the year ending 19 _____

	Rs. a. p.
Largest amount of annuity paid during the year on any one life under a policy or policies issued after the commencement of the Act, namely, 18th March 1912.	
Largest amount of annuity which the society contracted during the year to pay in the same or in any future year on any one life.	
Largest amount at risk during the year on any one life under life assurance policies effected since the commencement of the Act.	
Largest amount of whole life premiums received or undertaken to be received during the year under life assurance policies on any one life effected since the commencement of the Act.	
Largest amount of premiums received or undertaken to be received during the year under life assurance policies effected since the commencement of the Act on any one life where the premiums are payable for the following limited periods :—	
1 year ..	
2 years ..	
3 „ ..	
4 „ ..	
5 „ ..	
6 „ ..	
and so on up to the longest term inclusive.	

What for each class of insurance business other than that of Life Assurance was the largest sum insured during the year against the happening of any one contingency connected with any one person, no matter whether the insurance be under one or more policies—

Class of insurance.	Maximum sum assured.
Birth ..	
Failure of issue ..	
Marriage ..	
Bond investment business ..	
Unemployment ..	
Sickness ..	
Accident ..	

Note.—When the amount payable under a policy varies it shall for the purposes of statements G, H and I be taken as assuring the amount of the maximum limit which the society stipulates will not be exceeded. If there be no such limit then the largest amount definitely undertaken to be paid shall be entered in these statements.

FORM H.

(Referred to in Rule 17.)

Giving particulars of the new business each year.
 Submitted by the Society for the year ending 19

Contingency on which sum assured or other benefit is payable.	Table in prospectus of society.	Total new insurances effected during the year under review.				
		Number of policies.	Sum assured or annual benefit payable*	Renewal premium.	Single premium.	
Death ...	No. ...		Rs.	Rs. a. p.	Rs. a. p.	State also :— Number and annual amount of new annuities and the consideration received.
(Including death combined with some other contingency.)	No. ...					
	No. ...					
	No. ...					
	etc.					
	Total ...	†				
Survivance of a fixed period only.	No. ...					
	No. ...					
	etc.					
	Total ...					
Marriage ...	No. ...					
	etc.					
	Total ...					
Birth ...	No. ...					
	etc.					
And so on for other classes.	Total ...					

See foot-note to Form G.

† This total should agree with the total number shown in Forms E and F.

FORM I.

(Referred to in Rule 17.)

Showing for each year the additions to and deductions from the number of policies and the sums assured thereunder.

Submitted by the _____ society for the year ending 19 .

	Policies insuring money to be paid on death.		Policies insuring money to be paid only on survival.		Annuities.		Marriage Policies.		And so on for each other class of business.
	No.	Sum Assured (excluding Bonus additions).	No.	Sum Assured.	No.	Annuity per annum.	No.	Sum Assured.	
		Rs.		Rs.		Rs.		Rs.	
(1) Policies at end of previous year.									
(2) New policies issued as per statement H.									
(3) Old policies revived ...									
(4) Old policies changed and increased.									
Total ...									
<i>Discontinued during year.</i>									
(5) By death ...									
(6) By maturity or the happening of the contingencies insured against.									
(7) By expiry of term ...									
(8) By surrender ...									
(9) By forfeiture ...									
(10) By change and decrease...									
(11) By not being taken up ...									
Total discontinued ...									
Total existing at end of year...									

See foot-note to Form G.

FORM J.

(Referred to in Rule 17.)

Giving particulars for each year since the formation of the society, of the number of policies that have gone off the books for various reasons.

Submitted by the _____ society up to the close of the year ending
19 _____.

Year when policy effected.	Number of policies effected in each year.	Number remaining in force at end of year under review.	The difference between the figures of columns (2) and (3) being made up of the following.				
			Claims by death.	Claims by maturity of policy other than by death.	Surrenders.	Forfeitures.	Term policies expired.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Commence with the first year the Company granted insurances of any kind and give the particulars for each year thereafter.)							

A statement in similar form must be given for each table under which the society has at any time issued policies.

Statements required by this form need not be given until within six months after the close of the first financial year entered upon after the adoption of these rules.

FORM K.

(Referred to in Rule 16.)

Showing the claims under dividing society business, arranged according to the duration of the policies.

Statement submitted by the _____ society, of claims arising in the year ending 19____ under each class of dividing society, business.

Number of claims arising in year by death of life assured—

After payment of premium.	Table No. 1.	Table No. 2.	Table No. 3.	Etc.
for less than one year				
“ one year but less than two years . .				
“ two years „ three „ . .				
„ three „ „ four „ . .				
and so on.				

If the amount of the sum payable in event of death in the first few months be ascertained by a different rule than for deaths occurring later, the first column should be altered accordingly, so that the deaths may be ascertained during each period for which a different method of calculation applies. For instance, in the case of a society paying nothing in event of death before six months' premiums have been paid and returning the premiums paid in the case of claims when six but less than eleven months' premiums have been paid, the first column would be shown as follows:—

For less than six months

„ six months but less than eleven months

„ eleven months but less than twelve months

„ one year but less than two years

and so on.

A similar statement must be given of claims by marriage, by birth and under each other class of dividing society business undertaken by the society, and a reconciliation shown between the figures in such statements and the amounts shown in the Revenue Account.

FORM L(1).

(Referred to in Rule 17.)

Statement submitted by the _____ Company up to the close
of the year ending 19____ giving typical examples
of the sums paid under its dividing society policies issued under
Table No. _____ on a claim occurring.

Statement giving typical examples of the total sum (including all
advances or further benefits no matter when paid) that would
have been paid in past years under a policy if it had become
a claim immediately after premiums had been paid for 1, 2,
3, 4 and 5 full years, respectively.

Financial year in which claim occurred.		Examples of the total sum paid by the Society under a policy the premiums on which amounted to Rs. _____ in each year.				
		Number of years premiums paid prior to date of _____*				
		1	2	3	4	5
		Rs.	Rs.	Rs.	Rs.	Rs.
19____	..					
(this being 1st year of company).						
(2nd year.)	19____ . ..	..			
(3rd year.)	19____ . ..	..	..	
(4th year.)	19____ . ..	..	..	..
(5th year.)	19____ . ..	..	..	..	..
and so on up to						
19____	. ..	..	..	..	..	..
19____	. ..	..	..	..	..	..

*State here "death" or "marriage" or whatever may be the contingency
or the happening of which the policy money is payable.

Statements in the following form must be given by Life
Assurance Companies for each class of insurance under which the
amount of the sum payable on the policy becoming a claim is not
fixed, but depends either partly or wholly on the result of the divi-
sion of any portion of the premium income of funds amongst the
claim policies in proportion to the premiums paid under each class

in any specified period. This shall not be held to apply to policies insuring a fixed amount which, so long as the premiums are duly paid, can only vary as the result of bonus ascertained by an actuarial valuation conducted in the manner provided for in schedule IV of the Indian Life Assurance Companies Act, 1912.

If the particulars required by the form of statement vary for different ages at entry, particulars must be given separately for age at entry 40 as well as for the youngest and for the oldest ages at entry for which policies are now obtainable according to the rules of the company.

If the period of division be other than one year the form of statement will be adjusted accordingly.

Particulars must be stated of the periods, if any, during which policies becoming claims do not qualify for full benefits.

FORM I. (2).

(Referred to in Rule 17.)

Statement submitted by the _____

_____ Company up to the close of the year ending _____ 19 , giving particulars of the terms

of the policy contracts in force in past years and of the total payments (including all advances or further benefits no matter when paid) that were made in past years under policies which insured a sum which depended either partly or wholly on the result of the division of any portion of the premium income amongst the claim policies in proportion to the premiums paid under each class in any specified period. This shall not be held to apply to policies insuring a fixed amount which, so long as the premiums are duly paid, can only vary as the result of bonus ascertained by an actuarial valuation conducted in the manner provided for in Schedule IV of the Indian Life Assurance Companies Act, 1912.

Class of insurance _____ (a)

Age at entry _____ (b)

Total number of years for which pre-
miums are payable when they are }
only payable for a limited period. }

Amount of premium payable each month Rs. _____

Particulars of entrance fee or any
other payment required to be made }
by the policy-holder. }

Terms in force and result of division or premium income in each year since policies of this class were first issued.

Year.	Number of months after date of entry during which the company pays nothing in the event of a claim occurring.	Number of months thereafter during which the company pays a sum (in event of claim) which bears to the amount of the premiums received a ratio which is fixed before issue of policy.	Ratio referred to in (2) which the sum paid bears to the premiums received under the policy.	Minimum guaranteed amount payable by the Company in event of claim after policy is fully qualified.	Ratio which the total amount of claim paid under fully qualified policies bears to the amount of premiums received when the amount of each claim under qualified policies was in excess of the guaranteed minimum stated in (4) and depended on a division of the premium income amongst the claim policies in proportion to the premiums paid.
	(1)	(2)	(3)	(4)	(5)
1st year up to —19
2nd year up to —19
3rd year up to —19
And so on up to —19

(a) State here "death," "survival," or "marriage" or whatever may be the contingency on the happening of which the policy money is payable.

(b) If the particulars required by the form of statement vary for different ages at entry, particulars must be given separately for age at entry 40 as well as for the youngest and for the oldest ages at entry for which policies are now obtainable according to the rules of the Company.

If the period of division be other than one year the form of statement will be adjusted accordingly.

FORM M.

(Referred to in Rules 24 and 25.)

A Register of Policies.

Policy number.	
Date of admission.	
Life assured's name, occupation, address, also father's name, etc., if life assured be a minor: if the life assured be female, either the husband's or the father's name, etc., must be stated.	
Name, occupation and address of policy-holder when other than life assured.	
Relationship between life assured and policy-holder.	
Age at entry of life assured.	
Sum assured.	
<div>Minimum amount.</div> <div>Maximum amount definitely promised.</div> <div>Maximum amount which will not be exceeded but which may never be paid.</div>	
Contingency on which Minimum sum assured is payable.	
Contingency on which Maximum amount definitely promised is payable.	
<div>Amount of each.</div> <div>When payable.</div> <div>Number of years payable.</div>	
<div>Amount paid on withdrawal.</div> <div>Cause of withdrawal. (Death, survivorship, expiry of term, surrender, or forfeiture.)</div>	

(G. N. No. 6483, dated 14th July 1914.)

CASE FOR OPINION OF THE ADVOCATE GENERAL, BOMBAY.

The following case for an opinion of the Advocate General is given *in extenso* as it contains many points of interest in respect of the construction of the Act :—

1. The Sind Hindu Provident Funds Society has applied for registration under the Provident Insurance Societies Act, 1912 (V of 1912), and has submitted its draft Rules to the Registrar in accordance with the requirements of that Act.

2. The Society, which is an amalgamation of two old Societies, proposes to have two distinct classes of business, both of which come within the definition of "Dividing Society Business" given in the Bombay Provident Insurance Societies Rules, 1914, paragraph 2 (d); these are :—

A.—*Family Relief Fund* or payment by the Society on the death of a member to the member's nominee of a lump sum, which consists of a proportion of the "death" funds of the Society in the hand for distribution, and

B.—*Marriage Aid Fund* or payment by the Society to the member on his marriage of a lump sum, being a proportion of the marriage fund available for distribution.

On being called upon by the Registrar to fix maximum sums thus payable, in accordance with section 3 of the Act and "Matter" (d) of the Schedule to the Rules above referred to, the Society, under protest, fixed the maxima at Rs. 2,000 and Rs. 1,000, respectively for the two classes of business.

3. It is to be observed that the amounts of the premia under section 3 of the Act are well within the prescribed limits.

4. It is argued for the Society that the Society does not undertake to pay any particular sums, but that they depend entirely on the amounts paid as premia and the number of claimants for each period, but in my opinion the Company does in fact undertake to pay a sum which though unascertained at the time of giving the undertaking, may well, under favourable conditions, be in excess of the maximum as fixed by section 3 of the Act, and the Society is bound to pay this sum to the policy-holders and there is thus a clear contingent liability on the Company (*vide* the opinion of the Advocate General, Bengal, printed in Government Resolution, Revenue Department, No. 10088, dated the 7th November 1913, on this point).

5. It is to be observed that when objection to register the Society was taken by the Registrar, who maintained that he could not register the Society until the maxima under the Act were fixed, the Society claimed that there was in fact no obligation, in the case of Dividing Societies, to fix the maxima, it would be a hardship on the present members, since the old Society on the same premia often paid sums greater than the maximum under the Act, and stated that there would be a great outcry at making any distinction.

6. The maxima having been fixed at sums in excess of the limit mentioned in section 3, the Registrar contended that the Society was not one to which the Act applied (section 3).

It is to be observed that the Schedule is headed "The matters required to be prescribed by the rules of the Society are provided for in the subjoined schedule" and no exemption appears in favour of "Dividing Societies" but the contention of the Society is that it was only on the demand of the Registrar that they fixed the maxima at all, and that they consider that it is unreasonable and in fact impossible for Dividing Societies, which can have no definite knowledge as to what amounts will be available for future division, to fix a proper maximum and it is foreign and opposed to the whole idea of such Societies to do so.

It is suggested that if Dividing Societies of the type in question are forced to fix maximum sums, it will kill them off, since, if sums are fixed within the limits of section 3, the present members, who have in the past been accustomed to look forward to a chance of getting a considerable sum, will be very indignant at their treatment and will cease to be members in many cases. While if the maximum is fixed so as to exclude the Society from the benefits of registration under the Act, it will be impossible to raise the sums necessary for registration under the Indian Life Assurance Companies Act, 1912.

7. The Society have also raised another point on the meaning of the Act, namely :—As to whether the term "Policy of Assurance on Human Life," as defined in section 2 (4) includes policies of the Society which are payable on the marriage, betrothal, etc., of the policy-holders. In other words, is marriage the happening of a contingency dependent on human life?

The importance of this point lies in the fact that on its decision depends the question as to whether or not a Marriage Fund comes under Life Assurance business and as to whether a Society paying or undertaking to pay more than Rs. 500 as a bonus on a marriage is debarred from registration under the Provident Insurance Societies Act, 1912, owing to the provisions of section 3.

8. A further point is as to the meaning of section 4 of the Act, the former Registrar holding that this section, taken in conjunction with paragraph (c) of the Schedule to the Rules, made it obligatory for Societies in their rules to confine nominees of policy-holders to those persons mentioned in section 4 of the Act. The Society on the other hand contend that the section only means that the premia and contributions must be paid by either the assured person or by one of the relatives named in the section but by no one else, the object of the section being to debar persons from speculating on other person's lives.

In my opinion this section cannot be interpreted so as to prevent a policy-holder from nominating any one he chooses and, as worded, it only limits the persons who may pay the premia on the policy, but does not limit the member's nominees.

9. A further point which has arisen is as to whether a Dividing Society is bound to satisfy itself, before issuing a policy, that the sum for which the policy is desired is a reasonable one having regard to the purpose for which the policy is desired to be taken out. [See "Matter" (b) in the Schedule to the Rules.]

My opinion is that there is nothing to indicate that the prescribed "Matters" in the Schedule are not to apply to Dividing Societies, but that the contrary is in fact implied since "Matter" (p) is in the nature of an extra, which applies only to such Societies, indicating that the other matters are evidently intended to apply to all Societies registered under the Act whether Dividing Societies or not. In fact I see no reason why the whole of the rules should not be applied to Dividing Societies except where it is impossible.

10. Lastly a question as to the mode of forming a new Society which has not been registered as a Company and has had no previous existence, has been raised. There is no provision in the Act or Rules as to the method by which the first management of the Company is to be elected, *i.e.*, whether the persons directing the preliminary operations of the Company can be self constituted or whether they should be appointed at a meeting of prospective members. It is to be observed that the English Industrial and Provident Societies Act, 1893, section 5 (2), provides as follows:— "For the purpose of registry an application to register the Society, signed by seven members and the Secretary.....shall be sent to the Registrar," but in the Provident Insurance Societies Act, V of 1912, there is no similar provision, and there is in my opinion therefore some doubt as to the manner in which an entirely new Society should apply for registration.

In the case of the Sind Hindu Provident Funds Society, the application was made by the Secretary of the Society, but in his case he was probably elected by the two old Societies for whom he had formerly acted as Secretary.

No. 59 of 1915.

Advocate General's Chambers,

High Court :

Bombay, 10th September 1915.

With reference to letter No. 1783, dated the 30th July 1915 from the Registrar of Companies, Bombay, I have to state as follows :—

2. I agree with the opinion of the Registrar expressed in paragraph 4 thereof and the opinion of the Advocate General, Bengal, therein referred to.

3. As regards paragraphs 5 and 6 of his letter, I think the Registrar was entitled to require the Society to fix the maxima as without fixing the maxima it was not possible to determine whether or not the Society was registrable under Act V of 1912.

4. The question raised in paragraph 7 of the letter does not appear free from doubt. Giving the matter best consideration I can, I am of opinion that a Marriage Fund comes within the purview of Life Assurance Business. Section 2 (4) says "Policy of Assurance on human life" means any instrument by which the payment of money is assured on the happening of *any contingency* dependent on human life..... This is wide enough language to include marriage among the contingencies dependent on human life. A Provident Society therefore which pays for bonus or receives for premia sums in excess of those prescribed by section 3 would be barred from registration under Act V of 1912.

5. Section 4 of the Act does not appear to me to do more than define the insurable interest of a party; and its meaning or operation is not affected when read in conjunction with paragraph (c) of the Schedule. The Registrar's interpretation (*q. v. ante*) of the section is correct.

6. With reference to the questions raised in paragraph 9 of the Registrar's letter, I am of opinion that the prescribed "matters" in the Schedule are applicable to the Dividing Societies wherever it is possible to do so. No absolute inference can be drawn from the fact of the insertion of clause (p) in the Schedule as it is *verbatim* the same as section 5 (c) of the Act.

7. As regards the question raised in paragraph 10 of the letter it appears to me that as no mode or procedure for application for registration is laid down by section 6 of the Act a Society may apply for registration by any person or persons duly authorised by it in that behalf.

PART III.

1. The Indian Life Assurance Companies Act, 1912 (VI of 1912) with which are printed notes giving the effect of various Notifications, Standing Orders, and Legal opinions.
2. The Indian Insurance Companies Act, 1928 (XX of 1928).
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THE FIRST SCHEDULE.—REVENUE ACCOUNTS.

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THE INDIAN LIFE ASSURANCE COMPANIES ACT, 1912.

(ACT No. VI OF 1912.)

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 18th March 1912.)

An Act to provide for the regulation of Life Assurance Companies.

WHEREAS it is expedient to provide for the regulation of life assurance companies; It is hereby enacted as follows :—

Preliminary.

1. (1) This Act may be called the Indian Life Assurance Companies Act, 1912.

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Santhal Parganas and the Pargana of Spiti.

2. In this Act, unless there is anything repugnant in the Definitions. subject or context,—

(1) “actuary” means an actuary possessing such qualifications as may be prescribed by rules made by the Governor General in Council :

(2) “chairman” means the person for the time being presiding over the board of directors or other governing body of a life assurance company :

(3) “Court” means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction :

(4) “financial year” means each period of twelve months at the end of which the balance of the accounts of the life assurance company is struck, or if no such balance is struck, then the calendar year :

(5) “life assurance business” means the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life :

(6) “policy of assurance on human life” means any instrument by which the payment of money is assured on death (except death

by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life :¹

(7) "policy-holder" means the person who for the time being is the legal holder of the policy for securing the contract with the life assurance company :

(8) where a company grants annuities upon human life "policy" includes the instrument evidencing the contract to pay such an annuity, and "policy-holder" includes annuitant : and

(9) "Registrar" means any person who may be appointed by the Local Government to perform the duties of the Registrar under this Act.²

3. Save as hereafter expressly provided, this Act shall apply to all persons or bodies of persons, whether companies to which corporate or unincorporate (which persons Act applies. and bodies of persons are hereafter referred to as life assurance companies), whether established before or after the commencement of this Act and whether established within or without British India, who carry on life assurance business within British India.

VI of 1882.
Now VII of
1913.

Explanation.—A company registered under the Indian Companies Act, 1882, which carries on life assurance business in any part of the world shall for the purposes of this section be deemed to be a company carrying on such business within British India.

Exception.—Nothing in this Act shall apply to any society to which the Provident Insurance Societies Act, 1912, applies, or to any Fund which the Governor General in Council may, by notification in the Gazette of India, exempt from the operation of this Act. 3 and 4

1 See Advocate General of Bombay's Opinion No. 59 of 1915, dated 10th September 1915, paragraph 4 (printed at end of Bombay Provident Insurance Societies Rules, 1914, Page II). Page 57 *supra*

2 In exercise of the powers conferred by section 2, clause 9, of the Indian Life Assurance Companies Act, 1912 (VI of 1912), the Governor in Council is pleased to appoint the Registrar of Joint Stock Companies, Bombay, to perform the duties of the Registrar under the said Act in addition to his own duties. (Government Notification No. 5012—A., dated 27th May 1912.)

3 In pursuance of section 3 of the Indian Life Assurance Companies Act, 1912 (VI of 1912), the Governor General in Council is pleased to exempt the undermentioned Funds from the operations of the said Act :—

1. Postal Insurance Fund.
2. Bengal Civil Fund.
3. Indian Civil Service Family Pension Fund.
4. Bengal and Bombay Uncovenanted Service Family Pension Funds.
5. General Family Pension Fund.
6. Hindu Family Annuity Fund.

Deposits.

4. (1) Every life assurance company shall, if established before the commencement of this Act, within one year from such commencement or, if established after such commencement, before it commences to carry on the business of life assurance, deposit and keep deposited with the Controller of Currency.⁵ for and on behalf of the Governor General in Council, Government securities, as defined by the Indian Securities Act, 1886, of the face value of **XIII of 1886.** twenty-five thousand rupees or of a face value equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, whichever is greater; and, until the company keeps deposited securities of the face value of two hundred thousand rupees, shall annually deposit and keep deposited in like manner like securities of a face value—

(a) equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, until the face value of the securities deposited exceeds one hundred thousand rupees;

(b) and thereafter equal in amount to one-third of the increase to the life assurance fund as shown in the revenue account for the last financial year:

Provided that a company may at any time deposit securities of a face value of two hundred thousand rupees or make up its deposit of securities to that value.

(2) The interest accruing due on the securities deposited under sub-section (1) shall be paid to the company.

(3) The deposit may be made by the subscribers of the memorandum of association of a company or any of them, in the name of a proposed company, and, upon the incorporation of the company,

7. Bengal Christian Family Pension Fund.

8. Bengal and Madras Service Family Pension Funds.

9. Indian Civil Service Annuity Fund.

10. Indian Military Service Family Pension Fund.

11. Queen's Military Widow's Fund.

12. Madras Civil Fund.

13. Madras Military Assistant Surgeon's Fund.

[G. of I. Notn., Deptt. of C. & I. (Insurance). No. 7345-97, dated 13th September 1913; G. Notn. No. 8465, dated 15th September 1913.]

4 All notifications published in the Gazette of India under the Indian Life Assurance Companies Act, 1912, may be republished in the Local Official Gazette.

(G. of I. letter, Deptt. of C. & I., No. 5654-5663-61, dated 22nd July 1912.)

5 Originally "Comptroller General." Amendment by Section 2 of the Indian Life Assurance Companies (Amendment) Act, XIII of 1914.

shall be deemed to have been made by, and to be part of the assets, of the company, and the Registrar of Joint Stock Companies shall not issue a certificate of incorporation of the company under the Indian Companies Act, 1882,* until the deposit has been made.

VI of 1882.

[*Now the Indian Companies Act, 1913.]

(4) The deposit shall be deemed to form part of the life assurance fund of the company.

Accounts and Documents.

5. In the case of a life assurance company transacting other business besides that of life assurance, a separate account shall be kept of all receipts in respect of the life assurance business, and the said receipts shall be carried to and form a separate fund to be called the life assurance fund.

Explanation.—Nothing in this section shall be deemed to require any life assurance fund to be invested in separate investments from any other fund, but a separate balance-sheet as prescribed under section 7 shall be kept in respect of the life assurance fund.

Exception.—Nothing in this section shall apply to a life assurance company established before the commencement of this Act, by the terms of whose deed of settlement the whole of the profits of all the business carried on by the company are paid exclusively to the life policy-holders, and on the face of whose life policies the liability of the life assurance fund in respect of the other business distinctly appears.

6. The life assurance fund shall be as absolutely the security of the life policy-holders as though it belonged to a company carrying on no other business than life assurance business, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of life assurance, and shall not be applied, directly or indirectly, for any purposes other than those of life assurance.

Exception.—Nothing in this section shall affect the liability of the life assurance fund, in the case of a company established before the commencement of this Act, for contracts entered into by the company before such commencement.

7. (1) Every life assurance company shall, at the expiration of each financial year, prepare—

Accounts and balance-sheets.

(a) a revenue account for the year in the form or forms set forth in the First Schedule and applicable to the

class or classes of business carried on by the company;

- (b) a profit and loss account in the form set forth in the Second Schedule, except where the company carries on life assurance business only and no other business;
- (c) a balance-sheet or balance-sheets in the form or forms set forth in the Third Schedule;
- (d) a statement containing the name of every person who during the year was a member of the board of directors or other governing body or was manager or secretary or held any similar office by whatever name called.

(e) a statement showing—

(A) as regards new policies of life assurance in respect of which a premium has been paid in the year of account,—

- (i) the number of policies,
- (ii) the sums assured,
- (iii) the amount received by way of single premiums (including all premiums paid at the outset where no subsequent premium is payable), and
- (iv) the amount of yearly renewal premium income;

(B) as regards total life assurance business,—

- (i) the number of policies in force at the end of the year of account,
- (ii) the sum assured (including reversionary bonus additions thereto) under policies in force at the end of the year of account, and
- (iii) the premium income for which credit is taken in the revenue account;

(C) as regards claims, the amount of the claims paid in the year of account under policies effected in India—

- (a) to claimants in India, and
- (b) to claimants outside India;

(f) a statement showing, in such forms as the Governor General in Council may prescribe, a classified summary of the investments of the company in India in government securities and in Indian concerns and the other Indian assets held by the company.

(2) For the purposes of clause (e) of sub-section (1), all items required to be stated shall be net amounts after deduction of the

re-insurances of the company's risks, and for the purposes of sub-clauses (A) and (B) of that clause—

- (a) the statement shall show separately the numbers and amounts in respect of policies effected in, and policies effected outside, India;
- (b) where a sum assured is payable periodically, whether by way of an annuity or otherwise, it shall be stated separately from lump sum payments; and
- (c) policies of assurance upon the lives of a group of persons whereby sums assured are payable in respect of several persons included in the group shall be excluded from the statement and be shown in a separate statement containing the like particulars.

8. (1) Every life assurance company shall once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or bye-laws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary, and shall cause an abstract of the report of such actuary to be made in the form set forth in the Fourth Schedule.

(2) The provision of sub-section (1) regarding the making of an abstract shall also apply whenever at any other time an investigation into the financial condition of a life assurance company is made with a view to the distribution of profits, or whenever the results of any such investigation are made public.

9. In the case of a mutual life assurance company whose profits are allocated to members wholly or mainly by annual abatements of premium, the abstract of the report of the actuary on the financial condition of the company, prepared in accordance with the Fourth Schedule, may, notwithstanding anything in section 8, be made and returned at intervals not exceeding five years: Provided that, where such return is not made annually, it shall include particulars as to the rates of abatement of premiums applicable to different classes or series of assurances allowed in each year during the period which has elapsed since the previous return under the Fourth Schedule.

10. Every life assurance company shall, within three years from the commencement of this Act, and thereafter at the date to which the accounts of the company are made up for the purposes of the investigation prescribed by section 8, prepare a statement of its

assurance business in the form set forth in the Fifth Schedule. Provided that, if the investigation is made annually by any company, the company may prepare such a statement at any time, so that it be made at least once in every five years.

11. (1) Every account, balance-sheet, abstract or statement hereinbefore required to be made shall be
Deposit of accounts, etc., with Governor General in Council. printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company, and by the principal officer of the company, and if the company has a managing director, by the managing director, shall be deposited with the Governor General in Council within six months in the case of accounts and balance-sheets required by section 7, and within one year in other cases after the close of the period to which the account, balance-sheet, abstract or statement relates: Provided that, if in any case it is made to appear to the Governor General in Council that the circumstances are such that a longer period should be allowed, he may extend that period by such period as he may think fit.⁶

(2) The Governor General in Council shall consider any document deposited in accordance with the provisions of sub-section (1) and, if any such document appears to the Governor General in Council to be inaccurate or defective in any respect, the Governor General in Council may call upon the company to furnish a further statement correcting any such inaccuracies or supplying any such deficiencies.

12. There shall be deposited with every revenue account and balance-sheet of a life assurance company
Deposit of report. every report on the affairs of the company submitted to the share-holders or policy-holders of the company in respect of the financial year to which the account and balance-sheet relate.

13. Where a life assurance company registered under the Indian Companies Act, 1882,* in any year VI of 1882.
Exemption from certain provisions of Act VI of 1882.* deposits its accounts and balance-sheet in accordance with the provisions of section 11, the company may, at the same time, send to the Registrar of Joint Stock Companies a copy of such accounts and balance-sheet; and, where such copy is so sent, it shall not be necessary for the company to file a balance-sheet with the Registrar of Joint Stock
[*Now Indian Companies Act, 1913.]

⁶ Revenue accounts and balance-sheets should be submitted by Companies registered under the Indian Life Assurance Companies Act, 1912, direct to the Government of India.

(G. of I. letter, Deptt. of C. & I., No. 3591-72 of 1914.)

Companies as required by section 74 of the Indian Companies Act, 1882,* and the copy of the accounts and balance-sheet so sent shall be dealt with in all respects as if it were a balance-sheet filed in accordance with that section.

VI of 1882.
[*Now Indian Companies Act, 1913, Sections 181 to 184.]

14. A printed copy of the accounts, balance-sheet, abstract or statement last deposited shall, on the application of any share-holder or policy-holder of the company, be forwarded to him by the company by post or otherwise.

Right of share holders, etc., to copies of accounts, etc.

15. The accounts of every life assurance company shall be audited annually in such manner as the Governor General in Council may prescribe.

Audit of accounts.

VI of 1882.
[*Now Indian Companies Act, 1913.]

16. Every life assurance company which is not registered under the Indian Companies Act, 1882,* shall keep a list of the names and addresses of its share-holders, and shall, on the application of any shareholder or policy-holder of the company, furnish to him a copy of such list on payment of a sum not exceeding two annas for every hundred words required to be copied.

List of shareholders.

VI of 1882.
[*Now Indian Companies Act, 1913.]

17. Every life assurance company which is not registered under the Indian Companies Act, 1882,* shall cause a sufficient number of copies of its deed of settlement or other instrument constituting the company to be printed, and shall, on the application of any shareholder or policy-holder of the company, furnish to him a copy of such deed of settlement or other instrument on payment of a sum not exceeding one rupee.

Deed of settlement.

18. Where any notice, advertisement or other official publication of a life assurance company contains a statement of the amount of the authorised capital of the company, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

Publication of authorised as well as subscribed and paid-up capital.

19. (1) Every life assurance company, constituted outside British India, which establishes a place of business within British India, or appoints an agent in British India with the object of obtaining life assurance business, shall, within three months from the establishment of the place of business or the appointment of such agent, file with the Registrar—

Requirements as to companies established outside British India.

(a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;

- (b) a list of the directors of the company ;
- (c) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company service of process and any notices required to be served on the company ;

and, in the event of any alteration being made in any such instrument or in the list of directors or in the names and addresses of such persons as aforesaid, the company shall, within such time as the Governor General in Council may prescribe, file with the Registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) There shall be paid to the Registrar for registering any document, required by this section to be filed, a fee of five rupees or such smaller fee as the Governor General in Council may prescribe.⁷

Amalgamation or Transfer.

20. (1) Where it is intended to amalgamate two or more life assurance companies, or to transfer the life assurance business of one company to another, the directors of any one or more of such companies may apply to the Court by petition, to sanction the proposed arrangement.

(2) Before any such application is made to the Court—

- (a) notice of the intention to make the application shall be published in the Gazette of India and in the local official Gazette of the Province in which the principal place of business of the company is situate at least two months before the application is made ;
- (b) a statement of the nature of the amalgamation or transfer, as the case may be, together with an abstract containing the material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which the agreement

⁷ Section 19 is not retrospective and its provisions do not apply to companies outside British India which have established their places of business in India before the passing of the Act.

[G. of I., Deptt. of C. & I. (Insurance), No. 5177-59 of 26th June 1914; G. R., No. 6647 of 18th July 1914.]

or deed is founded, including a report by an independent actuary, shall, unless the Court otherwise directs, be transmitted to each policy holder of each company; and

- (c) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy-holders and share-holders at the offices of the companies for a period of fifteen days after the last publication of the notice.

(3) The Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

(4) The Court shall not sanction the amalgamation or transfer in any case in which it appears to the Court that the life policy-holders representing one-tenth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer, dissent from the amalgamation or transfer.

(5) No life assurance company shall amalgamate with another, or transfer its business to another, unless the amalgamation or transfer is sanctioned by the Court in accordance with this section.

21. Where an amalgamation takes place between any life assurance companies, or where any life assurance business of one such company is transferred to another company, the combined company or the purchasing company, as the case may be, shall, within one month from the date of the completion of the amalgamation or transfer, deposit with the Governor General in Council—

Statement in case of
amalgamation or
transfer.

- (a) certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer; and
- (b) a certified copy of the agreement or deed under which the amalgamation or transfer is effected; and
- (c) certified copies of the actuarial or other reports upon which that agreement or deed is founded; and
- (d) a declaration under the hand of the chairman of each company, and the principal officer of each company, that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in

money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

Winding-up.

22. The Court may order the winding-up of a life assurance company, in accordance with the Indian Companies Act, 1882,* and the provisions of that Act shall apply accordingly, subject, however, to the modification that the company may be ordered to be wound up--

Special provisions as to winding-up of assurance companies.

VI of 1882. [*Now the Indian Companies Act, 1913.]

(a) on the petition of ten or more policy-holders;

Provided that such a petition shall not be presented except by the leave of the Court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court, and until security for costs for such amount as the Court may think reasonable has been given; or

(b) on application made on behalf of the Governor General in Council showing that from a consideration of the documents deposited with him under the provision of this Act it appears to him that the company is insolvent.

23. (1) Where a life assurance business or any part of the life assurance business of a life assurance company has been transferred to another company under an arrangement in pursuance of which the first-mentioned company (in this section called the subsidiary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section called the principal company). then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject as hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the Court necessary, with a view to the companies being wound up as if they were one company.

Winding-up of subsidiary companies.

(2) The commencement of winding-up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding-up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves, the Court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies, in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding-up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is subsidiary, the Court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is subsidiary to the principal company, and that the winding-up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding-up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where a company stands in the relation of a principal company to one company, and in the relation of a subsidiary company to some other company, or where there are several companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies together or in separate groups as it thinks most expedient upon the principles laid down in this section.

24. Where a life assurance company is being wound up by the Court, or subject to the supervision of the Court, or voluntarily, the value of a policy or of a liability under a policy requiring to be valued in such winding-up shall be estimated in manner applicable to policies and liabilities provided by the Sixth Schedule.

25. The rules in the Sixth Schedule shall be of the same force, and may be repealed, altered or amended as if they were rules made in pursuance of section 254 of the Indian Companies Act, 1882,*

VI of 1882. Rules of valuation.

[*Now Section 246 of the Indian Companies Act, 1912.]

and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding-up of life assurance companies.

26. The Court, in the case of a life assurance company which has been proved to be unable to pay its debts, may, if it thinks fit, reduce the amount of the contracts of the company upon such terms and subject to such conditions as it thinks just, in place of making a winding-up order.

26A. In the winding up of a life assurance company in a case where any proportion of the profits of the company was before the commencement of the winding up allocated to policy-holders, if when the assets and liabilities of the company have been ascertained, there is found to be a surplus of assets over liabilities (hereinafter referred to as a *prima facie* surplus), there shall be added to the liabilities of the company in respect of its life assurance business an amount equal to such proportion of the *prima facie* surplus as is equivalent to such proportion of the profits allocated to shareholders and policy-holders as was allocated to policy-holders during the ten years immediately preceding the commencement of the winding up, and the assets of the company shall be deemed to exceed its liabilities only in so far as those assets exceed those liabilities after such addition as aforesaid;

Provided that, if in any case there has been no such allocation, or if it appears to the Court that by reason of special circumstances it would be inequitable that the amount to be added to the liabilities of the company in respect of the life assurance business should be an amount equal to such proportion as aforesaid, the amount to be so added shall be such amount as the Court may direct.^{7a}

Special Provisions relating to Accounts and Documents.

27. The Governor General in Council may direct any documents deposited with him under this Act, or certified copies thereof, to be kept by the Registrar or by any other officer appointed in this behalf, and any such documents and copies shall be open to inspection and copies thereof may be procured by any person on payment of such fees as the Governor General in Council may direct.

28. The Governor General in Council shall annually cause to be published in such manner as he may direct a summary of the accounts, balance-sheets, abstracts, statements and other documents under this Act, or purporting to be under this Act, deposited with him during the preceding year by every life assurance company except reports on the affairs of life assurance companies submitted to the share-holders or policy-holders thereof, and may

^{7a} Section 26 A, is inserted by Act, XX of 1928, see pages 97 to 103 post.

append to *such summary* any note of the Governor General in Council thereon, and any correspondence in relation thereto.^{8, 9}

29. Every document deposited under this Act with the Governor General in Council, and certified by the Registrar or by any person appointed in that behalf by the Governor General in Council to be a document so deposited, shall be deemed to be a document so deposited.

30. Every document purporting to be certified by the Registrar, or by any person appointed in that behalf by the Governor General in Council, to be a copy of a document so deposited, shall be deemed to be a copy of that document and shall be received in evidence as if it were the original document unless some variation between it and the original document be proved.

31. The Governor General in Council may, on the application or with the consent of a life assurance company, alter the forms contained in the Schedules to this Act as respects that company, for the purpose or adapting them to the circumstances of that company.

Companies carrying on business in the United Kingdom.

32. (1) An assurance company which carries on life assurance business in the United Kingdom in accordance with the Assurance Companies Act, 1909, may, if carrying on life assurance business in British India before the commencement of this Act, within three months of such commencement, or, in any other case, before it commences to carry on life assurance business in British India, apply to the Governor General in Council for a declaration that it so carries on such business in the United Kingdom.

(2) A company applying under the provisions of sub-section (1) shall furnish, at the time of its application or at such further time as the Governor General in Council may prescribe such evidence as he may direct of the facts alleged in its application.

(3) Where the Governor General in Council is satisfied that a life assurance company applying as aforesaid is a life assurance company which carries on business in the United Kingdom in

⁸ This section was amended as shewn in Italics by the Repealing and Amending Act, 1917 (No. XXIV of 1917).

⁹ As required by section 28 of the Indian Life Assurance Companies Act, 1912, the statements of accounts and abstracts of actual reports in respect of life assurance companies doing business in India are published in the *Gazette of India*. After such publication steps have to be taken to republish in the *Local Government Gazette* the accounts, etc., of companies having their principal places of business in the Bombay Presidency.

(G. of I. letter, Department of C. & I., No. 1341-1355-110, dated 28th February 1914; G. R. No. 4462, dated 12th May 1914.)

accordance with the Assurance Companies Act, 1909, he shall, by 9 Edw. VII, notification in the Gazette of India, make a declaration to that Chap. 49. effect, and shall cause such notification to be republished in the local official Gazette of the Province where the company has or proposes to have its principal place of business.¹⁰

10 In exercise of the powers conferred by section 32 of the Indian Life Assurance Companies Act, 1912 (VI of 1912), the Governor General in Council is pleased to declare that the following Life Assurance Companies carry on life assurance business in the United Kingdom in accordance with the Assurance Companies Act, 1909 (9 Edw. VII, Chap. 49):—

- (1) The Phoenix Assurance Company, Limited.
- (2) The North British and Mercantile Insurance Company.
- (3) The Commercial Union Assurance Company, Limited.
- (4) The Standard Life Assurance Company.
- (5) The Royal Insurance Company, Limited.
- (6) The China Mutual Life Insurance Company, Limited.
- (7) The Norwich Union Life Insurance Society.
- (8) The Northern Assurance Company, Limited.
- (9) The Alliance Assurance Company, Limited.
- (10) The Gresham Life Assurance Society, Limited.
- (11) The London and Lancashire Life and General Assurance Association, Limited.
- (12) The City of Glasgow Life Assurance Company.
(G. of I. Notn., Deptt. of C. & I., No. 5293-61, dated 13th July 1912; G. Notn., No. 6571, dated 16th July 1912.)
- (13) The Sun Life Assurance Company of Canada.
- (14) The Liverpool and London and Globe Insurance Company, Limited.
- (15) The New York Life Insurance Company.
(G. of I., Notn., Deptt. of C. & I., No. 5653-61, dated 27th July 1912; G. Notn., No. 7007, dated 29th July 1912.)
- (16) The Atlas Assurance Company, Limited.
- (17) The Manufacturers Life Insurance Company of Canada
(G. of I. Notn., Deptt. of C. & I., No. 6070-61, dated 10th August 1912; G. Notn., No. 7601, dated 13th August 1912.)
- (18) The Royal Exchange Assurance Corporation.
(G. of I. Notn., Deptt. of C. & I., No. 6138-61, dated 17th August 1912; G. Notn., No. 7830, dated 20th August 1912.)
- (19) The Law Union and Rock Insurance Company, Limited.
(G. of I. Notn., Deptt. of C. and I., No. 6377-61, dated 24th August 1912; G. Notn., No. 8051, dated 26th August 1912.)
- (20) The Liverpool Victoria Insurance Corporation, Limited.
(G. of I., Notn., Deptt. of C. and I., No. 6549-61, dated 31st August 1912; G. Notn., No. 8251, dated 3rd September 1912.)
- (21) The National Mutual Life Association of Australasia, Limited.
(G. of I. Notn., Department of C. & I., No. 6799-61, dated 14th September 1912; G. Notn., No. 8609, dated 18th September 1912.)
- (22) The Scottish Union and National Insurance Company.
(G. of I. Notn., Department of C. & I., No. 7073-61, dated 21st September 1912; G. Notn., No. 8813, dated 24th September 1912.)
- (23) The National Mutual Life Assurance Society.
(G. of I. Notn., Deptt. of C. & I., No. 8502-61, dated 16th November 1912; G. Notn., No. 10629, dated 19th November 1912.)
- (24) The London Assurance Corporation.
(G. of I. Notn., Deptt. of C. & I., No. 1012-61, dated 15th February 1913; G. Notn., No. 1562, dated 17th February 1913.)
- (25) The Royal London Auxiliary Insurance Company, Limited.
(G. of I. Notn., Deptt. of C. & I., No. 3286-8, dated 17th April 1915; G. Notn., No. 4383, dated 19th April 1915.)
- (26) The Yorkshire Insurance Company, Limited.
(G. of I. Notn., Deptt. of C. & I., No. 549-69, dated 19th February 1916; G. Notn., No. 2042, dated 22nd February 1916; G. O. No. 2855, 13th March 1916.)

33. Where the Governor General in Council has notified a declaration in accordance with the provisions of section 32 in respect of a life assurance company, nothing in section 4, section 5, [clause (a) (b) (c) or (d) of sub-section (1) of section 7, sections 8 to 12] sections 15, 20, 21 or 37 shall apply to the company: 10a

Application of the Act to companies which carry on life assurance business in the United Kingdom.

Provided that—

(1) the company shall deposit with the Governor General in Council, in the manner prescribed in section 11, copies of every account, balance-sheet, abstract, statement or other document which the company is required by the Assurance Companies Act, 1909, to deposit at the Board of Trade;

Edw. VII,
chap. 49.

(2) if, at any time, a company in respect of which a declaration has been notified under section 32 ceases to carry on life assurance business in the United Kingdom in accordance with the provisions of the Assurance Companies Act, 1909, it shall, if it continues to carry on life assurance business in British India, be subject to all the provisions of this Act from the date it ceased to carry on such business in the United Kingdom in accordance with the said Act.

Edw. VII,
chap. 49.

Penalties and Procedure.

34. Any life assurance company which makes default in complying with any of the requirements of this Act, and every director, manager, or secretary, or other officer or agent of the company who is knowingly a party to the default, shall be punishable with fine which may extend to one thousand rupees, or, in the case of a continuing default, with fine which may extend to five hundred rupees for every day during which the default continues; and, if default continues for a period of three months after notice of default by the Governor General in Council (which notice shall be published in one or more newspapers as the Governor General

10 (a)—Words in bracket were inserted by Act XX of 1928.

in Council may, upon the application of one or more policy-holders or shareholders, direct), the default shall be a ground on which the Court may order the winding-up of the company, in accordance with the Indian Companies Act, 1882.*

VI of 1882.
[*Now the
Indian Com-
panies Act,
1913.]

35. If any account, balance-sheet, abstract, statement or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Penalty for falsify-
ing statements, etc.

36. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence.

Cognizance of offen-
ces.

Miscellaneous.

37. (1) The Governor General in Council may appoint one or more inspectors to examine into the affairs of any life assurance company, and to report thereon in such manner as he may direct—

Appointment of in-
spectors.

(i) in the case of a life assurance company which is not registered under the Indian Companies Act, 1882,* upon the application—

VI of 1882.
[*Now the
Indian Com-
panies Act,
1913.]

(a) of shareholders being in number not less than one-fifth of the whole number of persons for the time being entered on the list of shareholders kept in accordance with the provisions of section 16; or

(b) of twenty or more policy-holders owing policies of an aggregate value of not less than twenty thousand rupees;

(ii) in any case where a life assurance company has failed to furnish a further statement when required to do so under the provisions of section 11, sub-section (2), or where the Governor General in Council is of opinion that any such further statement is insufficient or unsatisfactory.

(2) On an appointment being made under sub-section (1), the provisions of section 84 of the Indian Companies Act, 1882,* shall apply to the examination made by such inspectors.

VI of 1882.
[*Now the
Indian Com-
panies Act,
1913, section
140.]

38. Any notice or other document which is by this Act required to be sent to any policy-holder may be addressed and sent to the person to whom notices respecting such policy are usually sent and any notice so addressed and sent shall be deemed and taken to be notice to the holder of such policy :

Service of notices.

Provided that, where any person claiming to be interested in a policy has given to the company notice in writing of his interest, any notice which is by this Act required to be sent to policy-holders shall also be sent to such person at the address specified by him in his notice.

39. (1) The Governor General in Council may make rules to Powers to make rules. carry out the purposes of this Act. ^{10(b)}

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

(a) prescribe the qualifications to be possessed by actuaries, auditors and inspectors under this Act and the manner in which the accounts of life assurance companies shall be audited;

(b) prescribe the time within and the form in which notice of alteration of the particulars specified in section 19 of the Act shall be filed with the Registrar;

(c) subject to the provisions of this Act, prescribed the fees payable thereunder.

(3) All rules made under this Act shall be published in the Gazette of India, and on such publication, shall have effect as if enacted in this Act.

40. The Governor General in Council may, by notification in the Gazette of India, and subject to such conditions and restrictions as he thinks fit, delegate to any Local Government all or any of the powers (other than the power to make rules under section 39) conferred on him by this Act.

Power of Governor General in Council to delegate to Local Governments the powers conferred by this Act.

41. The Governor General in Council may, by notification in the Gazette of India, and subject to such restrictions and conditions as he thinks fit, exempt any life assurance company from all or any of the provisions of this Act. ^{11 & 12}

Power of Governor General in Council to exempt from the provisions of the Act.

^{10 (b)} For Rules see pages 104 to 119.

¹¹ The provisions of the Indian Life Assurance Companies Act, 1912, from which British Companies operating in India are to be exempt are especially mentioned in section 33 of the Act, and it is not the intention of the Government of India at present to utilize section 41 of the Act for the purpose of granting further exemptions to such companies.

(G. of I. letter, Deptt. of C. & I., No. 4909-61, dated 26th June 1912; G. R. No. 6499, dated 13th July 1913.)

¹² (1) In exercise of the powers conferred by section 41 of the Indian Life Assurance Companies Act, 1912 (VI of 1912), the Governor General in Council is pleased to exempt the undermentioned Life Assurance Companies from all the provisions of the said Act, on the condition that the Companies do not accept any new business in India:—

1. The London and Lancashire Life and General Assurance Association, Limited.

42. In section 131 of the Indian Companies Act, 1882, the VI of 1882, words from "In the case of a life assurance company" to "unable to pay its debts" are hereby repealed. 13 & 14

Amendment of Act
VI of 1882, section
131.

2. The Scottish Metropolitan Assurance Company, Limited.

3. The Star Assurance Society.

(G. of I. Notn. No. 6161-61, dated 17th August 1912; G. N. No. 7830, dated 20th August 1912.)

(2) In exercise of the powers conferred by section 41 of the Indian Life Assurance Companies Act, 1912 (VI of 1912), the Governor General in Council is pleased to exempt the Madras Equitable Assurance Society from all the provisions of the said Act, on the condition that this exemption will apply only so long as the business of the society is carried on as a "sealed series."

(G. of I. Notn., Deptt. of C. & I., No. 316-61, dated 18th January 1913; G. Notn., No. 572, dated 21st January 1913.)

(3) In exercise of the powers conferred by section 41 of the Indian Life Assurance Companies Act, 1912 (VI of 1912), the Governor General in Council is pleased to exempt the English and Scottish Law Life Assurance Association from all the provisions of the said Act, on the condition that the Association does no accept any new business in India.

(G. of I. Notn., Deptt. of C. & I., No. 317-61, dated 18th January 1913; G. Notn., No. 573, dated 21st January 1913.)

(4) In view of the fact that the Indian Mutual Provident Fund, Limited, Bombay, was undergoing liquidation and had ceased to issue policies of assurance, the Government of India decided to exempt the institution entirely from the operation of the Indian Life Assurance Companies Act, 1912, subject to the condition that it did not at any time grant other policies of assurance and was wound up as provided in the resolution passed on 12th May 1913.

(G. of I. letter, Deptt. of C. & I., No. 4572-37, dated 11th June 1913; G. R. No. 6078, dated 1st July 1913.)

(5) In exercise of the powers conferred by Section 41 of the Indian Life Assurance Companies Act, 1912 (VI of 1912) the Governor General in Council is pleased to exempt the Mutual Educational Association of Simla from all the provisions of the said Act (G. of I. Notn., No. 1326-132-c., dated 6th February 1915, Government Notification No. 1608, dated 9th February 1915).

¹³ It may be observed that where an employee is required, as a condition of his office, to deposit cash or negotiable securities, the bond of an assurance company cannot be accepted in lieu thereof, but such a bond may be accepted in place of personal securities, if the Local Government concerned is satisfied with the terms of the bond and the solvency of the company.

(G. of I. letter, F. Deptt., No. 438 A., dated 9th May 1913, to the Government of Bengal; G. R., F. D., No. 2228, dated 5th June 1913.)

¹⁴ The paragraph "in the case of a life assurance co., etc.", referred to in section 131 of Act 1882 is deleted in the corresponding section 166 of the Indian Companies' Act VII of 1913.

THE FIRST SCHEDULE.

(See section 7.)

REVENUE ACCOUNTS OF THE _____ FOR THE YEAR ENDING _____

(A) Life Assurance Account.

	Rs.		Rs.
		Dividends payable on 19 for the year ending 19 . (This is only to be stated here by companies not supplying a Profit and Loss account).	
		Claims under policies paid and outstanding—	
Amount of life assurance fund at the beginning of the year.		By death	
		By maturity	
		Surrenders, including surrenders of bonus additions.	
Premiums		Annuities	
		Bonuses in cash	
		Bonuses in reduction of premiums.	
		Expenses of management :—	
Consideration for annuities granted* (see Note 1).		Commission	
		Agents' and canvassers' allowances.	
		Salaries, etc. (other than to Agents and Canvassers).	
		Travelling expenses	
Interests, dividends and rent.	Rs.	Directors' fees	
		Auditors' fees	
		Medical fees	
		Rents for offices belonging to and occupied by the Company.	
Less income-tax thereon.		Rents of other offices occupied by the company.	
		Law charges	
		Advertising	
		Printing and stationery	
Other receipts (accounts to be specified).		Other expenses of management (accounts to be specified).	
		Other payments (accounts to be specified).	
		Amount of life assurance fund at the end of the year, as per Third Schedule.	
	Rs.		Rs.

*NOTE 1.—Companies having a separate annuity fund with investments separate from those of the life assurance fund to return the particulars of their annuity business in a separate statement, in Form B of this Schedule.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

NOTE 3.—If any sum has been deducted from the expenses of management account, and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above account.

(B) Revenue Account applicable to annuity business of those companies having a separate annuity fund, the investments of which are kept separate from those of the life assurance fund.

	Rs.		Rs.
Amount of annuity fund at the beginning of the year.		Annuities	
Consideration for annuities granted.		Surrenders	
		Expenses of management :—	
Interests, dividends and rents.	Rs.	Commission	
Less income-tax thereon		Other expenses (to be specified).	
Other receipts		Other payments (accounts to be specified).	
		Amount of annuity fund at the end of the year as per Balance-sheet.	
	Rs.		Rs.

NOTE—Items in this account to be net amounts after deduction of the amount paid and received in respect of reassurances of the company's risks.

(C) General Revenue Account applicable to all classes of business other than life assurance and annuity transactions.

	Rs.		Rs.
Amount of funds at the beginning of the year.		Claims less reassurances (accounts to be specified).	
Premiums (accounts to be specified).		Expenses of management :—	
	Rs.	Commission	
Interests, dividends and rents.		Other expenses (to be specified).	
Less income-tax thereon.		Losses (accounts to be specified).	
Profits (accounts to be specified).		Other payments (accounts to be specified).	
Other receipts (to be specified).		Amount of funds at the end of the year as per Balance-sheet.	
	Rs.		Rs.

NOTE 1.—All the items in the above account to be exclusive of life assurance and annuity transactions.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

(Statement D is omitted by section 5 of Act No. XX of 1928.)

THE SECOND SCHEDULE.

(See section 7.)

PROFIT AND LOSS ACCOUNT OF THE _____ FOR THE YEAR
ENDING _____ 19 .

	Rs.]		Rs.
Balance of last year's account.		Dividends and bonuses to share-	
Rs.		holders payable on 19 , for	
Interest and dividends		the year ending 19 .	
not carried to other		Expenses not charged to other	
accounts.		accounts.	
Less income-tax thereon _____		Loss realised (accounts to be	
Profit realised (accounts to be		specified).	
specified).		Other payments (accounts to be	
Other receipts (accounts to be		specified).	
specified).		Balance as per Third Schedule .	
Rs.		Rs.	

THE THIRD SCHEDULE

(See section 7.)

(A) BALANCE-SHEET-- OF THE -- ON THE -- 19

LIABILITIES	Rs.	ASSETS.	Rs.
Life assurance fund— Outstanding liabilities of life assurance fund.		Assets of life assurance fund as per separate balance-sheet (if any).	
Annuity fund (if any) as per separate balance- sheet.		Assets of annuity fund as per separate balance-sheet (if any).	
Outstanding liabilities of annuity fund.		Assets of funds other than those shown in the above-mentioned balance-sheets.	
Shareholders' capital paid up (if any).		Mortgages on property within India.	
Profit and Loss account (if any).		Mortgages on property out of India.	
Funds contained in Gene- ral Revenue Account (if any) [Schedule I (c)].		Loans on public rates.	
Other sums owing by the Company.		Do. life interests and rever- sions.	
(Accounts to be specified and stated separately under each class of business.)		Do. stocks and shares .	
		Do. company's policies within their surrender values.	
		Do. personal security.	
		Investments—	
		Deposits with the Comptroller General* (securities to be specified).	
		Indian Government securities .	
		British and Colonial Govern- ment securities.	
		Foreign Government securities	
		Indian Municipal and Provin- cial securities.	
		British and Colonial securities .	
		Foreign do. do.	
		Bonds, debentures, stocks and other securities whereon inter- est is guaranteed by the Indian Government.	
		Bonds, debentures, stocks and other securities whereon inter- est is guaranteed by the Bri- tish or any Colonial Govern- ment.	
		Bonds, debentures, stocks and other securities whereon inter- est is guaranteed by any Foreign Government.	
		Ordinary stocks and shares of any Indian Presidency Bank.	
		Debentures of any Railway in India.	

*Now Controller of Currency (see note 5, above).

(A) BALANCE-SHEET OF THE ON THE 19—(contd.)

LIABILITIES.	Rs.	ASSETS.	Rs.
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	
		Ordinary stocks and shares of any Railway out of India.	
		House property in India	
		House property out of India	
		Freehold and leasehold ground rents and rent charges in India.	
		Life interests and reversions in India.	
		Life interests and reversions out of India.	
		Other investments in India (to be specified).	
		Other investments out of India (to be specified).	
		Agent's balances	
		Outstanding premiums*	
		Outstanding interests, dividends and rents*	
		Interest accrued but not payable.*	
		Bills receivable	
		Cash—	
		On deposit	
		In hand and on current account	
		Other assets (to be specified)	
	Rs.		Rs.

*These items are or have been included in the corresponding items in the First Schedule.

NOTE 1.—When part of the assets of the company are specifically deposited under local laws, in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—The balance-sheet must state how the values of the Stock Exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance-sheet, to the effect that in their belief the assets set forth in the balance-sheet, are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 3.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 4.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a company or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND ON THE
19 , TO BE COMPLETED BY COMPANIES DOING BUSINESS
OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE
FUNDS.

LIABILITIES.	Rs.	ASSETS.	Rs.
Life assurance fund . . .		Mortgages, on property within India.	
Claims admitted or intimated* but not paid.		Mortgages on property out of India.	
Other sums owing by the company* (under this class of business)		Loans on public rates . . .	
		Do. life interests and reversions.	
		Loans on stocks and shares . .	
		Do. company's policies within their surrender values.	
		Loans on personal security . .	
		Investments:--	
		Deposit with the Comptroller General † (securities to be specified).	
		Indian Government securities .	
		British and Colonial Government securities.	
		Foreign Government securities .	
		Indian Municipal and Provincial securities.	
		British and Colonial securities .	
		Foreign do. do. . .	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the Indian Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government.	
		Ordinary stocks and shares of any Indian Presidency Bank.	
		Debentures of any Railway in India.	
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	
	Rs.		Rs.

*These items are or have been included in the corresponding items in the First Schedule.

†Now Controller of Currency (see note 5 above).

(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND ON THE
19 , TO BE COMPLETED BY COMPANIES DOING BUSINESS
OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE
FUNDS.

LIABILITIES.	Rs.	ASSETS.	Rs.
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	
		Ordinary stocks and shares of any Railway out of India.	
		House property in India ; . .	
		Do. out of India . . .	
		Freehold and leasehold ground rents and rent-charges in India	
		Life interests and reversions in India.	
		Life interests and reversions out of India.	
		Other investments in India (to be specified).	
		Other investments out of India (to be specified).	
		Agents' balances . . .	
		Outstanding premiums* . . .	
		Do. interest, dividends and rents* . . .	
		Interest accrued but not payable*	
		Bills receivable . . .	
		Cash—	
		On deposit . . .	
		In hand and on current account	
		Other assets (to be specified) . .	
	Rs.		Rs.

*These items are or have been included in the corresponding items in the First Schedule.

NOTE 1.—When part of the assets of the company are specifically deposited under local laws in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—A balance-sheet in the above form must be rendered in respect of the annuity fund if the investments of that fund are distinct from those of the life assurance fund.

NOTE 3.—The balance-sheet must state how the values of the stock exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance-sheet, to the effect that in their belief the assets, set forth in the balance-sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 4.—A certificate must be appended hereto, signed by the same persons as signed the balance-sheet (Form A), and by the auditor, to the effect that no part of any such fund has been applied, directly or indirectly, for any purpose other than the class of business to which it is applicable.

NOTE 5.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 6.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a company, or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

THE FOURTH SCHEDULE.

(See sections 8 and 9.)

STATEMENT RESPECTING THE VALUATION OF THE LIABILITIES UNDER LIFE POLICIES AND ANNUITIES OF THE _____, TO BE MADE AND SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.
2. The general principles adopted in the valuation, and the method followed in the valuation of particular classes of assurances, including a statement of the method by which the net premiums have been arrived at, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise; together with a statement of the manner in which policies on under average lives are dealt with.
3. The table or tables of mortality used in the valuation. In cases where the tables employed are not published, specimen policy values are to be given, at the rate of interest employed in the valuation, in respect of whole life assurance policies effected at the respective ages of 20, 30, 40 and 50, and having been respectively in force for 5 years, 10 years, and upwards at intervals of five years, respectively; with similar specimen policy values in respect of endowment assurance policies, according to age at entry, original term of policy and duration.
4. The rate or rates of interest assumed in the calculations.
5. The actual proportion of the annual premium income (if any), reserved as a provision for future expenses and profits separately specified in respect of assurances with immediate profits, with deferred profits, and without profits. (If none, state how this provision is made.)
6. The consolidated revenue-account since the last valuation, or, in case of a company which has made no valuation, since the commencement of the business. (This return should be made in the form annexed. No return under this heading will be required where a statement under this schedule is deposited annually.)
7. The liabilities of the company under life policies and annuities at the date of the valuation, showing the number of policies, the amount assured and the amount of premiums payable annually under each class of policies, both with and without participation in profits; and also the net liabilities and assets of the company with the amount of surplus or deficiency. (These returns to be made in the forms annexed.)

8. The principles upon which the distribution of profits among the shareholders and policy-holders is made, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise, and the number of years' premiums to be paid before a bonus (a) is allotted; and (b) vests.

9. The results of the valuation, showing—

- (1) the total amount of profit made by the company, allocated as follows :—
 - (a) among the policy-holders with immediate participation, and the number and amount of the policies which participated;
 - (b) among policy-holders with deferred participation, and the number and amount of the policies which participated;
 - (c) among the shareholders;
 - (d) to reserve funds, or other accounts;
 - (e) carried forward unappropriated;
- (2) specimens of bonuses allotted to whole life assurance policies for Rs. 1,000 effected at the respective ages of 20, 30, 40 and 50, and having been respectively in force for five years, 10 years, and upwards at intervals of 5 years respectively, together with the amounts apportioned under the various modes in which the bonus might be received; with similar specimen bonuses and particulars in respect of endowment assurance policies, according to age at entry, original term of policy, and duration.

(Form referred to under Heading No. 7 in Fourth Schedule.)

Summary and valuation of the policies of the as at 19 .

	Particulars of the Policies for Valuation.				Valuation.			
	Number of policies.	Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.	Value by the		Table interest	
					per cent.			
					Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.	Net liability.
ASSURANCES.								
I.—With immediate participation in profits.								
For whole term of life								
Other classes (to be specified)								
Extra premiums payable								
II.—With deferred participation in profits.								
For whole term of life								
Other classes (to be specified)								
Extra premiums payable								
Total assurances with profits								
III.—Without participation in profits.								
For whole term of life								
Other classes (to be specified)								
Extra premiums								
Total assurances without profits								
Total assurances								
Deduct reassurances (to be specified according to class in a separate statement).								
Net amount of assurances								
Adjustments, if any (to be separately specified)								
ANNUITIES ON LIVES.								
Immediate								
Other classes (to be specified)								
Total of the results								

NOTE 1.—The term "extra premium" in this Act shall be taken to mean the charge for any risks not provided for in the minimum contract premium. If policies are issued in or for any country at rates of premium deduced from tables other than the European mortality tables adopted by the company, separate schedules similar in form to the above must be furnished.

NOTE 2.—Separate returns and valuation results must be furnished in respect classes of policies valued by different tables of mortality, or at different rates of interest, also for business at other than European rates.

NOTE 3.—In cases also where separate valuations of any portion of the business are required under local laws in places outside British India, a summary statement must be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums and the total net liability on the bases as to mortality and interest adopted in each such place, with a statement as to such bases respectively.

(Form referred to under Heading No. 7 in Fourth Schedule.)

Valuation, Balance-sheet of as at 19 .

Dr.	Rs.	Cr.	Rs.
To net liability under life assurance and annuity transactions (as per summary statement provided in Fourth Schedule).		By life assurance and annuity funds (as per balance sheet under Third Schedule).	
To surplus, if any . . .		By deficiency, if any . . .	

(See section 10.)

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of reassurances corresponding to the statements in respect of assurances are to be given throughout.) Separate statements are to be furnished in the replies to all the headings under this Schedule for business at other than European rates.

2. The total amount assured on lives for the whole term of life which are in existence at the date above-mentioned, distinguishing the portions assured with immediate profits, with deferred profits, and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year, of life from the youngest to the oldest ages, the basis of division as to immediate and deferred profits being stated.

4. The total amount assured under endowment assurances, specifying sums assured and office premiums separately in respect of each year in which such assurances will mature for payment. The reversionary bonuses must also be separately specified, and the sums assured with immediate profits, with deferred profits, and without profits separately returned.

6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under Heading No. 5, distinguishing ordinary from extra premiums.

7. The total amount of premiums which has been received from the commencement upon pure endowment policies which are in force at the date above-mentioned.

8. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life, and distinguishing male and female lives.

9. The amount of all annuities on lives other than those specified under Heading No. 8, distinguishing the amount of annuities payable under each class, and the amount of premiums annually receivable.

10. The average rate of interest yielded by the assets, whether invested or uninvested, constituting the life assurance fund of the company, calculated upon the mean fund of each year during the period since the last investigation, without deduction of income-tax.

It must be stated whether or not the mean fund upon which the average rate of interest is calculated includes reversionary investments.

11. A table of minimum values, if any, allowed for the surrender of policies for the whole term of life and for endowments and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of the application of such method to policies of different standing and taken out at various interval ages from the youngest to the oldest.

THE SIXTH SCHEDULE.

(See sections 24 and 25.)

RULES FOR VALUING ANNUITIES, LIFE POLICIES AND LIABILITIES.

Rule for valuing an annuity.

An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding-up, and the present value of the future annual premiums.

In calculating such present values interest is to be assumed at such rate, and the rate of mortality according to such tables, as the Court may direct.

The premium to be calculated is to be such premium as according to said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

Rule for valuing a liability.

The liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by such company, is to ascertain the value of the liability of the company to each such person, and give notice of such value to such persons in such manner as the Court may direct, and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in manner and within a time to be prescribed by a rule or order of the Court.

THE INDIAN INSURANCE COMPANIES ACT, 1928.

ACT No. XX OF 1928.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 25th September, 1928.)

An Act further to amend the Indian Life Assurance Companies Act, 1912, for certain purposes, and to provide for the collection of statistical information in respect of insurance business other than life assurance business.

WHEREAS it is expedient further to amend the Indian Life Assurance Companies Act, 1912, for certain purposes hereinafter appearing, and to provide for the collection of statistical information in respect of insurance business other than life assurance business; It is hereby enacted as follows:—

PART I.

Preliminary.

1. (1) This Act may be called the Indian Insurance Companies Act, 1928.
Short title, extent and commencement.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.†

PART II.

Amendments to the Indian Life Assurance Companies Act, 1912.

2. (1) Section 7 of the Indian Life Assurance Companies Act, 1912 (hereinafter in this Part referred to as the said Act), shall be re-numbered as sub-section (1) of that section, and to that sub-section, as so re-numbered, after clause (d), the following clauses shall be added, namely:—

“(e) a statement showing—

(A) as regards new policies of life assurance in respect of which a premium has been paid in the year of account,—

(i) the number of policies,

(ii) the sums assured,

† Came into force on 15th November 1928, Govt. of India, Deptt. of Commerce Notification No. 36-I (10), dated 20th October 1928.

- (iii) the amount received by way of single premiums (including all premiums paid at the outset where no subsequent premium is payable), and
- (iv) the amount of yearly renewal premium income;
- (B) as regards total life assurance business,—
 - (i) the number of policies in force at the end of the year of account,
 - (ii) the sum assured (including reversionary bonus additions thereto) under policies in force at the end of the year of account, and
 - (iii) the premium income for which credit is taken in the revenue account;
- (C) as regards claims, the amount of the claims paid in the year of account under policies effected in India—
 - (a) to claimants in India, and
 - (b) to claimants outside India;
- (f) a statement showing, in such forms as the Governor General in Council may prescribe, a classified summary of the investments of the company in India in government securities and in Indian concerns and the other Indian assets held by the company."

(2) To the same section as re-numbered the following sub-section shall be added, namely :—

"(2) For the purposes of clause (e) of sub-section (1), all items required to be stated shall be net amounts after deduction of the re-insurances of the company's risks, and for the purposes of sub-clauses (A) and (B) of that clause—

- (a) the statement shall show separately the numbers and amounts in respect of policies effected in, and policies effected outside, India;
- (b) where a sum assured is payable periodically, whether by way of an annuity or otherwise, it shall be stated separately from lump sum payments; and
- (c) policies of assurance upon the lives of a group of persons whereby sums assured are payable in respect of several persons included in the group shall be excluded from the statement and be shown in a separate statement containing the like particulars."

3. After section 26 of the said Act the following section shall be inserted, namely :—

Insertion of new
section 26A in Act VI
of 1912.

"26A. In the winding up of a life assurance company in a case where any proportion of the profits of the company was
Application of surplus assets in liquidation.

to policyholders, if, when the assets and liabilities of the company have been ascertained, there is found to be a surplus of assets over liabilities (hereinafter referred to as a *prima facie* surplus), there shall be added to the liabilities of the company in respect of its life assurance business an amount equal to such proportion of the *prima facie* surplus as is equivalent to such proportion of the profits allocated to shareholders and policyholders as was allocated to policyholders during the ten years immediately preceding the commencement of the winding up, and the assets of the company shall be deemed to exceed its liabilities only in so far as those assets exceed those liabilities after such addition as aforesaid :

Provided that, if in any case there has been no such allocation; or if it appears to the Court that by reason of special circumstances it would be inequitable that the amount to be added to the liabilities of the company in respect of the life assurance business should be an amount equal to such proportion as aforesaid, the amount to be so added shall be such amount as the Court may direct."

4. In section 33 of the said Act, for the words and figures "sections 7 to 12" the words, figures and letters "clause (a), (b), (c) or (d) of sub-section (1) of section 7, sections 8 to 12," shall be substituted.

5. Statement (D) in the First Schedule to the said Act shall be omitted.

Amendment of the
First schedule, Act VI
of 1912.

PART III.

Provisions as to Insurance Business other than Life Assurance Business.

6. In this Part, unless there is anything repugnant in the subject or context,—
Definitions.

- (a) "certified", in relation to any copy or translation of a document required to be furnished by or on behalf of an insurance company, means certified by a responsible officer of the company to be a true copy or a correct translation, as the case may be ;
- (b) "insurance company" means any person who transacts in British India the business of effecting contracts of insurance against any risk ;

VI of 1912.

(c) expressions used in this Act and defined in the Indian Life Assurance Companies Act, 1912, shall have the meanings assigned to them respectively in that Act.

7. Every insurance company which does not transact life assurance business in British India shall, Deposit of account, etc., with Governor General in Council. within six months after the close of each financial year or within such further period as the Governor General in Council may in any case for special reasons allow, deposit with the Governor General in Council four copies of every report on the affairs of the company, and of every balance sheet, revenue account and profit and loss account, in respect of that year, which has been submitted to its shareholders or policyholders, and also, in the case of a company whose head office is situated outside British India, four copies of such of the aforementioned documents as are required by law to be submitted to the Government of the country in which the head office is situated.

8. The following statements shall be appended to every revenue account (other than a life assurance revenue account) deposited by an insurance company with the Governor General in Council in compliance with section 7 or with the provisions of the Indian Life Assurance Companies Act, 1912, as respects the year and the class of insurance business to which the revenue account relates, namely, statements showing—

VI of 1912.

(1) in respect of premium income for which credit is taken in the revenue account, the amount of premiums derived from business effected in India.

(2) in respect of claims, the amount of the claims paid in the year of account under policies effected in India—

(a) to claimants in India, and

(b) to claimants outside India.

9. There shall be appended to every balance sheet deposited Statement of Indian assets. by an insurance company with the Governor General in Council in compliance with section 7 a statement showing, in such form as the Governor General in Council may prescribe, a classified summary of the investments of the company in India in government securities and in Indian concerns and the other Indian assets held by the company.

10. At least one copy of every document deposited by an insurance company with the Governor General in Council in accordance with the requirements of section 7, section 8 or section 9 shall be signed in the manner provided in section 11 of the Indian Life Assurance Companies Act, 1912. Signing of documents.

VI of 1912.

11. If any portion of any document required to be deposited Certified copies of under section 7, section 8 or section 9 by an vernacular documents. insurance company with the Governor General in Council is not written in the English language, a certified translation thereof shall be furnished along with each copy of the document.

12. Every insurance company which does not transact life-Particulars to be assurance business in British India shall, filed. within one month from the commencement of this Act or before it begins to carry on business, whichever is later, furnish to the Governor General in Council--

- (a) the full address of the principal office of the company in British India;
- (b) the names of the directors, principal officer and the auditor of the company in British India;
- (c) a statement of the classes of insurance business carried on or intended to be carried on by the company in British India;
- (d) a certified copy of the charter, statutes, deed of settlement or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;
- (e) in the case of any such company established outside British India, the names and addresses of some one or more persons resident in British India, authorised to accept on behalf of the company service of process and any notice required to be served on the company;

and, in the event of any alteration being made in the address of the principal office or in such classes of business or in any such instrument as aforesaid or in the name of any such person, the company shall forthwith furnish to the Governor General in Council particulars of the alteration.

13. Every document deposited with the Governor General in Custody and inspection of documents. Council, in compliance with section 7, section 8 or section 9, or a certified copy of such document, shall be kept by the Registrar, and any such documents or copies shall be open to inspection, and any person may procure a copy of any such document or of any part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

14. (1) Every document deposited with the Governor General in Council, in compliance with section 7, Evidence of documents. section 8 or section 9 which has been certified by the Registrar to be a document so deposited, shall be deemed to be a document so deposited.

(2) Every such document purporting to be certified by the Registrar to be a copy of a document so deposited shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original document, unless some variation between it and the original document be proved.

15. The Governor General in Council shall, from time to time, Summary of accounts, etc., to be published. cause to be published, in such manner as he may direct, a summary of the accounts, published.

balance sheets and statements deposited with him in compliance with section 7, section 8 or section 9, and may append to such summary any note of the Governor General in Council thereon and any correspondence in relation thereto.

16. Any insurance company which makes default in complying with any of the requirements of this Part, and Penalty for non-compliance with Act. every director, manager or secretary, or other officer or agent of, or partner in, the company who is knowingly a party to the default, shall be punishable in the manner provided in section 34 of the Indian Life Assurance Companies Act, 1912.

VI of 1912.

17. If any account, balance sheet, statement or other document required by the provisions of section 7, Penalty for falsifying documents. section 8 or section 9 is false in any particular to the knowledge of any person who signs it, such person shall be punishable in the manner provided in section 35 of the Indian Life Assurance Companies Act, 1912.

VI of 1912.

18. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any Cognizance of offences. offence under this Act.

19. A person transacting the business of re-insuring contracts of insurance effected by any other person in Application of Part III to re-insurance business. the course of any class of business other than

life assurance business shall not, by reason only of that fact, be deemed to be transacting insurance business of that class.

20. The Governor General in Council may, by notification in the Gazette of India and subject to such Exemption. restrictions and conditions as he thinks fit, exempt from all or any of the provisions of this Act any provident insurance society registered under the Provident Insurance Societies Act, 1912.

THE INDIAN LIFE ASSURANCE COMPANIES RULES, 1930*.

In exercise of the powers conferred by sections 27 and 39 of the Indian Life Assurance Companies Act, 1912, and in supersession of the Indian Life Assurance Companies Rules, 1919, published with the notification of the Government of India in the Department of Commerce, No. 275 D, dated the 17th January 1920,† the Governor-General in Council is pleased to make the following rules :—

1. These rules may be called the Indian Life Assurance Companies Rules, 1930.
Short title.

2. In these rules, unless there is anything repugnant in the subject or context,—
Definitions.

(a) “the Act” means the Indian Life Assurance Companies Act, 1912;

(b) “Company” means a Life Assurance Company to which the Act applies;

(c) “dividing insurance business” means any form of insurance business under which the policy money payable on the happening of the contingency insured against is not fixed, but depends either partly or wholly on the results of the division of any portion of the premium income or funds amongst the policies which have become due for payment in proportion to the premiums received under each class in any specified period.

3. (1) Any person who, as an Actuary, investigates the financial condition of a Company, signs valuation returns of a Company, or reports on any proposed amalgamation or transfer in conformity with clause (b) of sub-section (2) of section 20 of the Act, shall be either—
Qualifications of Actuaries under the Act.

(a) a Fellow of the Institute of Actuaries, London, or a Fellow of the Faculty of Actuaries in Scotland; or

(b) where application is made by a Company and where, in the opinion of the Governor-General in Council, special circumstances exist :—

(i) an Associate of such Institute of Actuaries; or of such Faculty of Actuaries, or

(ii) such other person having actuarial knowledge as the Governor-General in Council may authorize to be employed to perform the duties of an Actuary.

*Published at pages 1090 to 1099 of Part I of the Bombay Government Gazette, dated 8th May 1930.

†Published at pages 266 to 275 of Part I of the Bombay Government Gazette, dated 29th January 1920.

(2) Every application by a Company for permission to employ as an Actuary any person other than a Fellow of the Institute or Faculty of Actuaries shall state the work for the performance of which such person is required, and the Governor-General in Council, if he grants the application, shall cause a certificate to be issued to the Company permitting, subject to such conditions and restrictions as he thinks fit, the employment of the person mentioned in the application.

4. Any person who, as an Auditor, audits the accounts of a Company shall be either—
Qualifications of Auditors under the Act.

(a) a member of any of the following Institutes and Societies, namely:—

- (i) The Institute of Chartered Accountants of England and Wales;
- (ii) The Society of Accountants in Edinburgh;
- (iii) The Institute of Accountants and Actuaries in Glasgow;
- (iv) The Society of Accountants in Aberdeen;
- (v) The Institute of Chartered Accountants in Ireland;
- (vi) The Society of Incorporated Accountants and Auditors;

or

(b) the holder of a certificate granted under sub-section (1) of section 144 of the Indian Companies Act, 1913, entitling him to act as an Auditor of companies under the said Act, subject to such restrictions and conditions as may be contained in the said certificate.

5. An Actuary, when investigating the financial condition of a Company, shall either satisfy himself as to the accuracy of the particulars extracted from the books or require a certificate of their accuracy from the manager and one other responsible officer of the Company.
Accuracy of particulars.

6. An Actuary, after investigating the financial condition of a Company, shall, along with the statement required by the Fourth Schedule to the Act, furnish a statement regarding the following matters, namely:—
Particulars to be given by Actuary.

- (a) whether the calculations are correct and made on the principles which are contained in the statement furnished under the Fourth Schedule to the Act;
- (b) whether these principles have his approval;
- (c) whether he has obtained all the information and explanations that he has required;

- (d) what adjustment was used in the valuation to allow for unequal incidence of the premium income, and for premiums payable more often than once a year;
- (e) the method by which both the ages at entry and the ages at valuation were arrived at;
- (f) the rate at each age of the mortality assumed and of the annuity values used in the valuation where the tables employed are not published;
- (g) whether all negative values were eliminated from the valuation, and whether steps were taken to prevent the policy reserve values from being not less than the minimum surrender values;
- (h) the proportion of the renewal premium income spent in payment of commission and other expenses in each year during the period since the last investigation after allowing, as the cost of the new business of the year, $7\frac{1}{2}$ per cent. of single premiums and 90 per cent. of first year's premiums falling due in the year after deduction of those unpaid under policies allowed to lapse in the year; and
- (i) specimen policy reserve values held or required to be held according to the methods adopted in the valuation as well as specimen minimum surrender values in respect of whole-life assurance policies for Rs. 1,000 with premiums payable throughout life effected at the respective ages of 20, 30, 40 and 50, and immediately on payment of the 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 15th and 20th annual premium; with similar specimen policy reserve values and specimen minimum surrender values in respect of whole-life assurance policies subject to premiums payable for 20 years and of endowment assurance policies maturing at age 55. This statement shall be furnished in Form D set out in the schedule to these rules.

7. In the event of the Actuary finding that the financial condition of the Company is such that, in his opinion, no payment should be made either of bonus to policy-holders or of dividend to shareholders, he shall, along with the statement required by the Fourth Schedule to the Act, state whether or not he finds the Company to be solvent. If he finds it to be insolvent—

Further particulars in case of Company not in a position to distribute surplus.

- (a) he shall state whether he considers that the Company could be made solvent as regards existing contracts

by the transfer of its paid up capital to make good the deficiency in the life assurance fund. If so, he shall state what in his opinion is the amount so required, and whether or not any alteration should be made in the rates of premium for future entrants;

- (b) if he considers that the Company cannot be made solvent as regards existing contracts by the transfer of the whole of the paid up capital to the credit of the life assurance fund, he shall state what proportion of the sum assured the Company would, in his opinion, be able to meet under such contracts if all paid up capital were transferred to such fund and (1) if all the premiums thereunder were reduced proportionately with the sum assured and (2) if the premiums were not reduced.

8. (a) Any sum for which credit is taken in the balance sheet Preliminary expenses, etc. as an asset and which represents either the adverse balance of any profit and loss or revenue account or such bad debts and preliminary or organisation expenses as may not have been included in the profit and loss or revenue account either as loss or outgo shall be considered as a deduction from the capital for the purpose of transfer under clause (a) of rule 7.

(b) No sum shall be treated as divisible surplus which includes either the paid up capital or any sum by which the assets referred to in sub-rule (a) exceed the paid up capital.

(c) Particulars of the assets referred to in sub-rule (a) shall be drawn up each year in Form I set out in the schedule to these rules and submitted and published with the balance sheet. The statement shall be signed by the persons who signed the balance sheet.

9. The accounts of every Company not subject to audit in accordance with the provisions of any law for the time being in force in British India regarding the registration of companies shall be audited in accordance with that law. Audit of accounts of Companies not registered under the Indian Companies Act.

10. No actuarial investigation of a Company's financial condition as at a date other than the close of the Company's financial year shall be made public or used as a basis for the distribution of profits unless the accounts up to the date as at which such investigation is made have been audited and dealt with in the manner prescribed for the accounts up to the close of a financial year. Audit necessary at time of valuation.

11. Every Auditor auditing under the Act the accounts of a Company shall, in his report to the members, state the following particulars along with those specified in sub-section (2) of section 145 of the Indian Companies Act, 1913, namely :—

(a) whether the provisions of these rules, so far as they affect the accounts, have been complied with ;

(b) whether or not he has personally verified the whole of the investments with the securities and other vouchers and is satisfied as to their correctness ;

(c) whether, in the certificate given in conformity with Note 2 to Form (A) and Note 4 to Form (B) of the Third Schedule to the Act, stock exchange securities have, in his opinion, been assumed to have a value which, after due allowance is made for any relative investment reserve fund, is not in excess of the market value at the close of the valuation period less an allowance for accrued interest in cases where it is included in the market price and taken credit for in the balance sheet ; and

(d) any other matters that he considers should be brought to the notice of the shareholders or policyholders of the Company.

12. Companies transacting life assurance business only may include in the life assurance revenue account the paid up capital and all the other funds of the Company, such as investment reserve fund, dividend reserve fund, sinking fund, and other like fund, stated separately both at the beginning and at the end of a year, so as to show any increase or diminution in such individual funds during the year.

13. Every Company, which has any policies remaining in force under either life assurance business on the dividing insurance principle or any other form of insurance business besides that of life assurance, shall submit a separate revenue account for each different class of insurance business which it transacts, and if under any class of dividing insurance business which it transacts the sum assured or benefit receivable in the event of the happening of the contingency insured against in the period immediately after issue of the policy be less than might be receivable after it is qualified for maximum benefits, both the premium income and the amount of benefit or sum assured payable under that class shall be shown in the accounts separately for each

period in which a different method obtains for the determination of the benefits or sum assured.

14. Every Company shall, in a footnote to the balance sheet Hypothecation of required by section 7 of the Act, state whether assets. or not there is any mortgage or charge on any of its assets. If any such mortgage or charge exists, the Company shall state which of the assets has been so dealt with, the amount of the mortgage or charge and the name of the mortgagee or person in whose favour the charge is created.

15. Every Company shall, in a footnote to the life assurance Premium income. revenue account required by section 7 of the Act, show separately the amount of single premiums, first year's premiums and yearly renewal premiums falling due in the year after deduction of those unpaid under policies allowed to lapse in the year.

16. Every Company shall, in depositing with the Governor-Additional information required from all Companies in respect of the financial year to which the accounts relate. General in Council, as required by section 11 of the Act, the annual accounts referred to in section 7 thereof, deposit four copies of a statement showing :—

- (a) the stock exchange securities set forth in the balance sheets of the Company with particulars regarding (1) the par value of each different security, (2) the value placed on each in the balance sheets after allowing for any relative investment reserve fund, and (3) the market value of each at the close of the financial year, less an allowance for accrued interest in cases where it is included in the market price and taken credit for in the balance sheets;
- (b) in Form II set out in the schedule to these rules, the additions to and the deductions from the number of policies and the sums assured thereunder, for each class of life assurance or dividing insurance business for which a separate revenue account is submitted;
- (c) in Form III set out in the schedule to these rules, particulars of the policies forfeited or lapsed under each class of life assurance or dividing insurance business for which a separate revenue account is submitted; and
- (d) the method of apportioning the interest and other income and the expenses between each class of business for which a separate revenue account is submitted.

17. Every Company which has any policies remaining in force under dividing insurance business shall, in addition required from Companies transacting dividing insurance business, depositing with the Governor-General in Council, as required by section 11 of the Act,

the annual accounts referred to in section 7 thereof, deposit four copies of a statement showing :—

- (a) particulars in Form IV set out in the schedule to these rules of the relationship existing between the lives assured and those effecting dividing insurance policies in the last financial year under review insuring sums payable at death; and
- (b) particulars in Form V set out in the schedule to these rules of the numbers of dividing insurance policies effected at different ages in the last financial year under review insuring sums payable at death.

18. The statement required by sub-clauses (A) and (B) of clause (e) of sub-section (1) of section 7 of the Act shall be drawn up in Form VI set out in the schedule to these rules.

19. The statement required by clause (f) of sub-section (1) of section 7 of the Act shall be drawn up in Form VII set out in the schedule to these rules.

20. Copies of all documents deposited with the Governor-General in Council under the Act, except reports on the affairs of the Company submitted to the shareholders or policy-holders, shall be kept by the Registrar of the Province in which the head office in British India of the Company is situated, and shall be open to inspection on payment of a fee of one rupee: and any person may procure a copy of any such document or any part thereof on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied.

21. Notice under section 19 of the Act of any alteration in—

- (a) the charter, statute, or memorandum and articles or other instrument constituting or defining the constitution of a Company constituted outside British India, or
- (b) the list of directors of such Company, or
- (c) the names and addresses of persons resident in British India authorised to accept on behalf of such Company service of process and other notices required to be served by the Act

shall, within three months from the date upon which such alteration was effected, be filed with the Registrar of the Province in which the head office in British India is situated in Form VIII set out in the schedule to these rules. The notice shall be signed by the person or persons authorised under clause (c) of sub-section (1) of section 19 of the Act, or of some other duly authorised agent of the company in British India, and, with regard to any alteration specified in sub-clause (a) of this rule, must be accompanied by a certified copy of the resolution, order, deed or instrument effecting the alteration.

22. If any portion of any document required to be deposited under the Act is not in the English language, a translation thereof, certified by a responsible officer of the Company to be correct, shall be furnished along with each copy deposited with the Governor-General in Council.

Translation of documents.

THE SCHEDULE.

FORM D.

(See rule 6.)

SPECIMEN POLICY RESERVE VALUES AND MINIMUM SURRENDER VALUES UNDER A.....POLICY FOR RS. 1,000.

Number of premiums paid.	Age at entry 20.		Age at entry 30.		Age at entry 40.		Age at entry 50.	
	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.	Reserve value.	Minimum surrender value.
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
15								
20								

NOTE.—Items in this form to be stated to the nearest rupee.

FORM I.

(See rule 8.)

Statement regarding preliminary expenses, etc., submitted by the
Company for the year ending 19 .

Balance at beginning of year either of the adverse balance of
any profit and loss or revenue account or such bad debts
and preliminary and other expenses as may not have
been included in the profit and loss or revenue account
either as loss or outgo but for which credit is taken in
the balance sheet as assets Rs.
Addition thereto during the year not shown as loss or outgo
in either the profit and loss or revenue account . . . Rs.

Total Rs. .

Less amount written off during the year as per profit and
loss or revenue account.

Balance at the end of year still shown as assets in the
balance sheet.

FORM II.

(See rule 16.)

Submitted by the

Company for the year ending
19 .

	Ordinary life insurance policies insuring money to be paid on death or survivorship.			Annuities.	Dividing insurance policies insuring money to be paid on death.		Dividing insurance policies insuring money to be paid on marriage.		And so on for each other class of dividing insurance business for which a separate revenue account is submitted.
	No.	Sum assured.	Bonus Reversionary additions.		No.	Minimum sum assured guaranteed.	No.	Minimum sum assured guaranteed.	
		Rs.	Rs.		Rs.	Rs.		Rs.	
(1) Policies at beginning of year.									
(2) New policies issued .									
(3) Old policies revived .									
(4) Old policies changed and increased.									
(5) Bonus additions allotted									
Total .									
Discontinued during year.									
(6) By death									
(7) By survivorship or the happening of the contingency insured against other than death.									
(8) By expiry of term under temporary insurances.									
(9) By surrender of policy .									
(10) By surrender of bonus									
(11) By forfeiture or lapse .									
(12) By change and decrease									
(13) By being not taken up .									
Total discontinued .									
Total existing at end of year									

* If there be no minimum amount guaranteed to be paid on the happening of the contingency insured against, the column may remain blank.

FORM III.

(See rule 16.)

Submitted by the

Company for the year ending
19 .

Particulars of the policies forfeited or lapsed in the last financial year under review, less those revived and reinstated for full benefits, classified according to the year in which they were issued.

Financial year in which the policies were issued.	Number of policies forfeited or lapsed.	Sum assured under policies forfeited or lapsed.
		Rs.
Year ending 19 . being the year under review ;
Year ending 19 , being the year previous to that under review ;

And so on, the number of and sum assured under policies forfeited or lapsed in the last financial year under review being stated after classification according to each of the preceding years in which they were issued.

A separate statement must be given in respect of each class of life assurance or dividing insurance business for which a separate revenue account is submitted.

FORM IV.

(See rule 17.)

Submitted by the

Company for the year ending
19 .

		Number of dividing insurance policies effected in the year under review insuring sums payable at death.	
		Under table No. 1.	Under table No. 2.
			And so on for each other table of dividing insurance business insuring sums payable at death.
(1) Number of Policies assuring money to be paid on the death of a male life—			
effected during the year by the life assured			
" " his wife .			
" " " son .			
" " " daughter .			
" " " father .			
" " " mother .			
" " " brother .			
" " " sister .			
" " any person other			
than the above relations. .			
(2) Number of Policies assuring money to be paid on the death of a female life—			
effected during the year by the life assured			
" " her husband			
" " " son .			
" " " daughter .			
" " " father .			
" " " mother .			
" " " brother .			
" " " sister .			
" " any person other			
than the above relations.			
Total number of Policies (assuring money to be paid on death) effected in the year under each different class.			

If the different tables be not distinguished from one another by numbers, as assumed in the above Form, the headings to the Form may be altered accordingly.

FORM V.

(See rule 17.)

Submitted by the

Company for the year ending
19 .

Age of life on the death of whom the policy monies become payable.	Number of dividing insurance policies effected in the year under review insuring sums payable at death.			
	Under table No. 1.	Under table No. 2.	Under table No. 3.	And so on for each other table of dividing insurance business insuring sums payable at death.
Under 5 years				
Over 5 and under 10				
„ 10 „ 15				
„ 15 „ 20				
„ 20 „ 25				
„ 25 „ 30				
„ 30 „ 35				
„ 35 „ 40				
„ 40 „ 45				
„ 45 „ 50				
„ 50 „ 55				
55 „ 60				
60 „ 65				
„ 65 „ 70				
„ 70 „				
Total number effected under each of the life assurance tables.	(These totals should agree with the totals in Form IV).			

If the different tables be not distinguished from one another by numbers,
from the headings to the Form may be altered accord-

FORM VI.

(See rule 18.)

Statement under clause (e) of Section 7 (1) of the Indian Life Assurance Companies Act, 1912 in respect of the
Company, for the year ending 19 .

	New life assurance business in respect of which a premium has been paid in the year.				Total life assurance business in force at end of the year.		Premium income for which credit has been taken in the revenue account.
	Number of policies.	Sums assured and Annuities per annum.	Single premiums (including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable).	Yearly renewal premium income.	Number of policies.	Sums assured with bonuses and annuities per annum.	
		Rs.	Rs.	Rs.		Rs.	Rs.
<i>Ordinary policies—</i>							
In India . .							
Out of India .							
Total .							
<i>Annuity contracts, etc.—</i>							
In India . .							
Out of India .							
Total .							
<i>Group insurance policies—</i>							
In India . .							
Out of India .							
Total .							

The amounts should be stated to the nearest rupee and after deduction of re-assurances.

FORM VII.

(See rule 19.)

Statement under clause (f) of section 7 (1) of the Indian Life Assurance Companies Act, 1912.

Classified Summary of the Indian Assets of the
19 .

Class of Asset.	Book value as per (a) below.	Market value as per (b) below.	Remarks as per (c) below.
	Rs.	Rs.	
(1) Government of India Securities .			
(2) Indian Treasury Bills			
(3) Indian Provincial Government Securities			
(4) Indian Municipal Port and Improvement Trust Securities including Debentures.			
(5) Debentures of Indian Railways .			
(6) Guaranteed and Preference Shares of Indian Railways.			
(7) Annuities of Indian Railways			
(8) Ordinary Shares of Railways in India			
(9) Other Debentures of concerns in India.			
(10) Other Guaranteed and Preference Shares of concerns in India.			
(11) Other Ordinary Shares of concerns in India.			
(12) Loans on the Company's policies effected in India and within their surrender value.			
(13) Loans on Mortgage of property in India.			
(14) Loans on Personal Security to persons resident in India.			
(15) Other Loans granted in India (particulars to be stated).			
(16) Land and House Property in India .			
(17) Cash on Deposit in banks in India .			
(18) Cash in hand and on current account in banks in India.			
(19) Agents balances and outstanding premiums.			
(20) Interest, dividends and rents either outstanding or accrued but not due.			
(21) Other assets in India (to be specified)			

The statement shall show—

- (a) the value for which credit is taken in the balance sheet for each of the abovementioned classes of assets,
- (b) the market value of such of the abovementioned classes of assets as has been ascertained from published quotations after deduction of accrued interest included in market prices in those cases where accrued interest is included elsewhere in the balance sheet,
- (c) how the value of such of the abovementioned classes of assets as has not been ascertained from published quotations has been arrived at, and
- (d) the rates of exchange at which the values of the assets other than in rupee currency have been converted into rupees.

The market values need not be shown separately where they are not less than the book values and a certificate to that effect is appended to the statement.

No amounts on account of any of the following items may be entered in the statement :—

Goodwill.

Preliminary formation, organisation or development expenses.

Commission or discount on shares or debentures issued.
Commuted Commission.

Expenditure carried forward to be written off in future years.

FORM VIII.

(See rule 21.)

In pursuance of section 19 of the Indian Life Assurance Companies Act, 1912, notice is hereby given by the Company constituted in

which has established a place of business at

has appointed an agent to obtain life assurance business at
in British India of the following alterations in
the

Dated

19

PART IV.

- 1. The Indian Companies Act, 1913 (VII of 1913), with which are printed notes giving the effect of various notifications, standing orders, legal opinions, etc.**
- 2. The Indian Companies Rules, 1914 (amended).**
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THE INDIAN COMPANIES ACT, 1913 (VII OF 1913).

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THE FIRST SCHEDULE.

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THE FOURTH SCHEDULE.

ACT No. VII OF 1913.

[PASSED BY THE GOVERNOR-GENERAL OF INDIA IN COUNCIL.]

*(Received the assent of the Governor-General on the 27th March 1913.)***An Act to consolidate and amend the law relating to Trading Companies and other Associations.**

WHEREAS it is expedient to consolidate and amend the law relating to Trading Companies and other Associations; It is hereby enacted as follows :—

PART I.

PRELIMINARY.

1. (1) This Act may be called the Indian Companies Act,
Short title, commence- 1913.
 ment and extent.

(2) It shall come into force on the first day of April 1914; and

(3) It extends to the whole of British India including British Baluchistan and the Santhal Parganas.¹

2. In this Act, unless there is anything repugnant in the subject or context,—
Definitions.

(1) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained (as the case may be) in Table B in the Schedule annexed to Act No. XIX of 1857 or in Table A in the First Schedule annexed to the Indian Companies Act, 1882, or in VI of 1882, Table A in the First Schedule annexed to this Act :

1 The Cantonment of Baroda is not part of British India.

(G. R., R. D., No. 1354, dated 21st February 1899.)

Section 3 (7) of the General Clauses Act, 1897, gives the following definition of "British India" :—

"British India" shall mean all territories and places within Her Majesty's dominions which are for the time being governed by Her Majesty, through the Governor General of India or through any Governor or other subordinate to the Governor General of India."

- (2) "company" means a company formed and registered under this Act or an existing company.²
- (3) "the Court" means the Court having jurisdiction under this Act :
- (4) "debenture" includes debenture stock :
- (5) "director" includes any person occupying the position of a director by whatever name called :
- (6) "District Court" means the principal Civil Court of original jurisdiction in a district, but does not include a High Court in the exercise of its ordinary original civil jurisdiction :
- (7) "existing company" means a company formed and registered under the Indian Companies Act, 1866, or under any Act or Acts repealed thereby, or under the Indian Companies Act, 1882 :
- (8) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses :
- (9) "manager" includes any person occupying the position of a manager by whatever name called, and whether under a contract of service or not :
- (10) "memorandum" means, the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Act :
- (11) "officer" includes any director, manager or secretary but, save in sections 235, 236 and 237, does not include an auditor.³
- (12) "prescribed" means, as respects the provisions of this Act relating to the winding up of companies, prescribed by rules made by the High Court, and as respects the other provisions of this Act, prescribed by the Governor-General in Council.^{3(a)}

2 There is no authority giving the definitions of "Company" and "Society" so as to distinguish them, but the following quotation from the case of *Great Northern Railway Company vs. Coal Co-operative Society* (L. R. 1896, Ch. D., Vol. I, p. 194) is pertinent. "I should prefer to base my decision on the simple ground that section 17 excludes companies from the operation of the Act of 1882, and that this is not a company but a corporation which bears the name of a society. The word 'Company' has come to have a very well recognised meaning. There are various legal companies, but this industrial society does not come within the connotation of that word in any of its accepted legal meanings" (per Vaughan Williams J.).

(G. R., R. D., No. 230, dated 9th January 1912.)

3 By rule No. 2 (3) of the Indian Companies Rules, 1914, the decision of the Registrar as to the meaning of "responsible officer" is final.

3 (a)—See sections 246 and 151 respectively and N. 70, page 214.

(13) "private company" means a company which

(i) by its articles—

(a) restricts the right to transfer its shares; and

(b) limits the number of its members (exclusive of persons who are in the employ of the company) to fifty; and

(c) prohibits any invitation to the public to subscribe for any shares or debentures of the company: and

(ii) continues to observe such restrictions, limitations and prohibitions:

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be considered as a single member.⁴

(14) "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company:

(15) "the registrar" means a registrar or assistant registrar performing under this Act the duty of registration of companies; and

(16) "share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.

3. (1) The Court having jurisdiction under this Act shall be the High Court having jurisdiction in the place at which the registered office of the company is situated.
Jurisdiction of the Courts.

Provided that the Local Government may, by notification in the local official Gazette and subject to such restrictions and conditions as it thinks fit, empower any District Court to exercise all or any of the jurisdiction by this Act conferred upon the Court, and in that case such District Court shall, as regards the jurisdiction so conferred, be the Court in respect of all companies having their registered offices in the district.⁵

⁴ If a public company, already registered, amends its articles by a Special Resolution so as to comply with the provisions of section 2 (13) it can be converted into a private company.

(Opinion of the Solicitor to Government, No. 343 of 6th April 1914.)

⁵ The District Courts of Ahmedabad, Surat, Poona, Sholapur, Broach and Satara have been duly empowered to exercise all the jurisdiction conferred by the Act upon the Courts having jurisdiction under the Act.

(Notifications, Judicial Department, No. 9113 of 14th December 1914, No. 2770 of 20th April 1915, Nos. 5368 and 5369 of 12th August 1916, No. 2074 of 30th March 1917 and Notification R. D. No. 2945, dated 18th February 1928.)

(2) For the purposes of jurisdiction to wind up companies, the expression "registered office" means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong Court.

PART II.

CONSTITUTION AND INCORPORATION.

4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor-General in Council, or of Royal Charter or Letters Patent.

Prohibition of partnerships exceeding certain number.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor-General in Council or of Royal Charter or Letters Patent.

Memorandum of Association.

5. Any seven or more persons (or, where the company to be formed will be a private company, any two or more persons) associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without limited liability (that is to say), either—

Mode of forming incorporated company.

(i) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them (in this Act termed a company limited by shares); or

(ii) a company having the liability of its members limited by the memorandum to such amount as the members

may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up (in this Act termed a company limited by guarantee); or

- (iii) a company not having any limit on the liability of its members (in this Act termed an unlimited company).

Memorandum of com- 6. In the case of a company limited by
pany limited by shares. shares—

- (1) the memorandum shall state—^{5(a)}

- (i) the name of the company with “Limited” as the last word in its name;
- (ii) the province in which the registered office of the company is to be situate;
- (iii) the objects of the company;
- (iv) that the liability of the members is limited;
- (v) the amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount:

- (2) no subscriber of the memorandum shall take less than one share:

- (3) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of 7. In the case of a company limited by
company limited by guarantee—
guarantee.

- (1) the memorandum shall state—^{5(b)}

- (i) the name of the company, with “Limited” as the last word in its name;
- (ii) the province in which the registered office of the company is to be situate;
- (iii) the objects of the company;
- (iv) that the liability of the members is limited;
- (v) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount:

5 (a) For model form of Memorandum see form A Schedule III, page 306, Section 151 (1) page 212.

5 (b) For model forms of Memo., see forms B, C, D, Schedule III, pages 303, 312 and 314, respectively [section 151 (1), p. 212].

(2) if the company has a share capital—

- (i) the memorandum shall also state the amount of share capital with which the company proposes to be registered and the division thereof into shares of a fixed amount;
- (ii) no subscriber of the memorandum shall take less than one share;
- (iii) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of un- 8. In the case of an unlimited company—
limited company.

(1) the memorandum shall state—⁵(b)

- (i) the name of the company,
- (ii) the province in which the registered office of the company is to be situate:
- (iii) the objects of the company;

(2) if the company has a share capital—

- (i) no subscriber of the memorandum shall take less than one share;
- (ii) each subscriber shall write opposite to his name the number of shares he takes.

9. The memorandum shall be signed by each subscriber in the presence of at least one witness who shall attest the signature.⁶ ⁶ (a).
Signature of memo-
randum.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the mode and to the extent for which express provision is made in this Act.⁷
tion of memorandum.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.
Name of company
and change of name.

⁶ A memorandum signed by seven persons, some of whom are not of age is not properly signed and cannot be registered.

(Letter from the Solicitor to Government, No. 749 of 20th May 1912.)

⁶ (a) The witness must be some person who stands by but is not a party to the transaction. (*Per* Lord Selborne in *Seal vs. Claridge*, 7 Q. B. D., 516.)

⁷ If a Memorandum of Association provides for a particular firm being the agents of the company, such a provision amounts to a condition within the meaning of the term as used in section 10 of the Act and cannot be altered.

(Advocate General's Opinion No. 56 dated 12th August 1916.)

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first mentioned company may, with the sanction of the registrar, change its name.

(3) A company shall not be registered by a name which contains any of the following words, namely,—“Crown”, “Emperor”, “Empire”, “Empress”, “Imperial”, “King”, “Queen”, “Royal”, (Bank of Bengal, Bank of Madras, Bank of Bombay) 7(a) or words expressing or implying the sanction, approval or patronage of the Crown or the Government of India 7(b) or a Local Government, except where the Governor-General in Council signifies his consent to the use of such words as part of the name of the company by order in writing under the hand of one of the Secretaries to the Government of India :

Provided that nothing in this sub-section shall apply to companies registered before the commencement of this Act.

(4) Any company may, by special resolution and subject to the approval of the Local Government signified in writing, under the hand of one of the Secretaries to such Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the Company, or render defective any legal proceedings by or against the company, and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

7 (a) Words in brackets are inserted by section 33 of Act XLVII of 1920.

7 (b)—The word “Co-operative” is prohibited from being used by persons other than a Society, registered under the Co-operative Societies Act, trading or carrying on business under any name or title of which that word is part without the sanction of the Local Government (*Vide* section 47 of the Co-operative Societies Act II of 1912).

The word “Army” was not allowed to be used in the name of the proposed Company (Government of India’s letter No. 1030-D., Department of Commerce and Industry, dated 9th February 1920, and Bombay Government No. Misc. 403, Revenue Department, dated 26th February 1920).

12. (1) Subject to the provisions of this Act, a company may, by special resolution, alter the provisions of its memorandum so as to change the place of the registered office from one province to another, or with respect to the objects of the company, so far as may be required to enable it—

Alteration of memorandum

- (a) to carry on its business more economically or more efficiently; or
- (b) to attain its main purpose by new or improved means; or
- (c) to enlarge or change the local area of its operations; or
- (d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or
- (e) to restrict or abandon any of the objects specified in the memorandum.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

- (a) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration; and
- (b) that, with respect to every creditor who in the opinion of the Court is entitled to object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court:

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

13. The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper.

Power of Court when confirming alteration.

14. The Court shall, in exercising its discretion under sections 12 and 13, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interest of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the

Exercise of discretion by Court.

satisfaction of the Court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it may think expedient for facilitating or carrying into effect any such arrangement:

Provided that no part of the capital of the company may be expended in any such purchase.

15. (1) A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within three months from the date of the order, be filed by the company with the registrar, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Act with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company.⁸

Procedure on confirmation of the alteration

(2) Where the alteration involves a transfer of the registered office from one province to another, a certified copy of the order confirming such change shall be filed by the company with the registrar in each of such provinces, and each of such registrars shall register the same, and shall certify under his hand the registration thereof, and the registrar for the province from which such office is transferred shall send to the registrar for the other province all documents relating to the company registered or filed in his office.

(3) The Court may by order at any time extend the time for the filing of documents with the registrar under this section for such period as the Court thinks proper.

16. No such alteration shall have any operation until registration thereof has been duly effected in accordance with the provisions of section 15, and if such registration is not effected within three months next after the date of the order of the Court confirming the alteration, or within such further time as may be allowed by the Court in accordance with the provisions of section 15, such alteration and order and all proceedings connected therewith shall, at the expiration of such period of three months or such further time, as the case may be, become absolutely null and void:

Effect of failure to register within three months.

Provided that the Court may, on sufficient cause shown, revive the order on application made within a further period of one month.

Articles of Association.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association signed by

Registration of articles.

⁸ See Note 26 after section 61.

the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered^{8(a)}.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state the number of members with which the company proposes to be registered, for the purpose of enabling the registrar to determine the fees payable on registration.^{8(b)}

18. In the case of a company limited by shares and registered after the commencement of this Act, if articles are not registered, or, if articles are registered, in so far as the articles do not exclude or modify the regulations in Table A in the First Schedule, those regulations shall, so far as applicable, be the regulations of the company in the same manner, and to the same extent as if they were contained in duly registered articles.

Form and signature of articles. 19. Articles shall—

(a) be printed;^{8(c)}

(b) be divided into paragraphs numbered consecutively; and

(c) be signed by each subscriber of the memorandum of association in the presence of at least one witness who must attest the signature.

20. (1) Subject to the provisions of this Act and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles; and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution.

(2) The power of altering articles under this section shall, in the case of any company formed and registered under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, extend to altering any provisions in Table B annexed to Act XIX of 1857, and shall also, in the case of an unlimited company formed and registered under the said Acts or either of them, extend to altering

8 (a)—For forms of Articles (1) of Companies limited by shares, see Table A, Schedule I, pages 282 to 299, (2) of an unlimited Company and (3) of a Company limited by guarantee and having a share-capital, see forms D and C, pages 315 and 313, respectively.

8 (b)—For a form of Articles of a Co. limited by guarantee and not having a share-capital, (see Form B, pages 307 to 312).

8 (c)—Production by the Gestetner Process is not printing, *vide* opinion Govt. Solr. No. 1357 dated 5th July 1923.

any regulations relating to the amount of capital or its distribution into shares, notwithstanding that those regulations are contained in the memorandum.

General Provisions.

21. (1) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by each member and contained a covenant on the part of each member, his heirs, and legal representatives, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Act.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

22. The memorandum and the articles (if any) shall be filed with the registrar for the province in which the registered office of the company is stated by the memorandum to be situate, and he shall retain and register them. 9, 10, 11, 12, 13 and 14.

9 Companies formed outside British India can be registered in British India provided they carry on business in British India.

(Advocate General's Opinion No. 86, dated 23rd December 1885.)

10 Articles conflicting with the provisions of the Act would not preclude proceedings being taken against the company or any officer of the company for failing to comply with such provisions of the Act, and if the memorandum and articles comply with the provisions of the Act as to the contents of the memorandum, and the number of subscribers and signature and attestation thereof and the printing of the articles in accordance with sections 5, 6, 9, and 19 or if unlimited or limited by guarantee in accordance with sections 7 and 8, the Registrar cannot refuse to register the memorandum and articles and to issue his certificate under section 23 (1) which is merely conclusive evidence that all the requisitions of the Act in respect of registration have been complied with.

(Letter from the Solicitor to Government No. 838, dated 11th June 1912.)

11 If the period for which a company, was formed to do business expires and it is sought to continue its existence, fresh registration is necessary.

(G. R., R. D., No. 2051, dated 28th June 1866.)

12 Registration of a company in London is no bar to the registration of that company under the Indian Companies Act, 1882, and the company can be registered and on registration is bound to comply with all provisions.

((G. R., R. D., No. 8762, dated 29th November 1883.)

13 When Articles of Association provide means for obtaining members in consideration of payment on their deaths to their nominees of Rs. 5 in order that the company may pay calls in respect of such members and distribute the amount so accumulated, there is no wager by the company and it can be registered.

(Advocate General's Opinion No. 62 of 1899.)

14 Certain companies formed in Native States (i.e., out of British India) and registered in Bombay, but not doing business in Bombay, were wrongly registered and Government ordered the documents and fees to be returned.

(G. R., R. D., No. 1354, dated 21st February 1899.)

23. (1) On the registration of the memorandum of a company, the registrar shall certify under his hand that the company is incorporated, and in the case of a limited company that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Act.

21. (7) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorised to be registered and duly registered under this Act.

(2) A declaration by an advocate, attorney or pleader entitled to appear before a High Court who is engaged in the formation of a company, or by a person named in the articles as a director, manager or secretary of the company, of compliance with all or any of the said requirements shall be filed with the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance.^{14 (a).}

25. (1) Every company shall send to every member, at his request, and on payment of one rupee or such less sum as the company may prescribe a copy of the memorandum and of the articles (if any).^{14 (b).}

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

14 (a)—“For a Form of declaration, see Form I (page 327.)

^{14 (b)}—“A copy under section 25 (1) must contain all essential parts and the signatures and the attestations are therefore necessary. The date appears to be immaterial (R. of L. Affairs, No. 771, dated 16th March 1920. G. O. No. 1034, R. D., dated 29th March 1920).

Associations not for Profit.

26. (1) Where it is proved to the satisfaction of the Local Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, (religion)* charity, or any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Local Government may, by license under the hand of one of its Secretaries, direct that the association be registered as a company with limited liability, without the addition of the word "Limited" to its name, and the association may be registered accordingly. ^{14(c)}

(2) A license by the Local Government under this section may be granted on such conditions and subject to such regulations as the Local Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Local Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word "Limited" as any part of its name and of publishing its name, and of filing lists of members and directors and managers with the registrar. ^{14(d)}

(4) A license under this section may at any time be revoked by the Local Government, and upon revocation the registrar shall enter the word "Limited" at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section :

Provided that, before a license is so revoked, the Local Government shall give to the association notice in writing of its intention,

*Inserted by Act XXXIII of 1926.

14 (c)—For Practice of the Board of Trade regarding the grant of a license, see accompaniments (G. R., R. D., No. 1334, dated 19th February 1904) pages 148 to 151.

14 (d)—For auditing accounts there must be a qualified auditor (see No. 63, page 209, *infra*).

Accompaniments to Government Resolution, Revenue Department, No. 1334, dated the 19th February 1904.

India Office,

R. & S. 3057

London, December 3rd 1903.

Dear Sir,

With reference to the letter from the Bombay Government No. 3 Revenue of the 26th September last, I forward for information copy of the papers noted in the margin on the subject of the Board of Trade's practice in respect of registration of Companies under Section 23 of the Companies Act, 1867.

From Board of Trade
F.-21098 of 26th November
1903 with two enclosures.

I am,

Yours faithfully,

(Signed) T. W. HOLDERNES,

Secretary.

To

The Secretary to the Government of Bombay,
Revenue and Statistics Department.

Board of Trade,

Finance and General Department,

7, Whitehall Gardens,

London, S. W., 26th November 1903.

Sir,

I am directed by the Board of Trade to refer to your letter of the 23rd ultimo, R. & S.—2650, transmitting a copy of a letter from the Government of Bombay relative to the application of the Bombay Presidency Trades Association for a license under section 26 of the Indian Companies Act, 1882, to enable it to be registered without the addition of the word "Limited" to its title, and enquiring as to the principles upon which the Board acts in respect of the Grant of Licenses under section 23 of the Companies Act, 1867, to Trade Protection Societies.

In reply I am to state that prior to 1891 it had been the practice of the Board of Trade to grant Licenses under Section 23 of the Act of 1867, to Trade Protection Societies. In that year, however, the Board felt that it was desirable that they should reconsider their policy with regard to applications on behalf of such Societies.

It appeared to the Board of Trade that, except in a secondary and limited sense, the purposes for which a society of this nature is formed could not be held to be the promotion of Commerce nor did they come under any of the other purposes enumerated in section 23 of the Act.

The Board felt, moreover, that it was their duty in exercising the discretion conferred upon them to administer the Act on broad and general principles and they decided therefore that while they would be prepared to admit to registration Associations proposing to carry on operations for the purpose of promoting commerce generally, they would not be prepared to accept Societies formed for the protection and advancement of particular trades.

In 1894 the Board found it necessary to take the opinion of the Law Officers of the Crown as to the true construction to be placed upon the words "or any other useful object" in Section 23 and as to whether a Golf Club could properly be held to be formed for the purpose of promoting a useful object within the meaning of the Section and a copy of this opinion (the effect of which was apparently to support the position taken up by the Board in 1891) is annexed.

In 1898 the Board were prepared to reconsider their refusal to entertain applications in respect of two Associations connected with particular Trades, whose objects they considered to come too near those of a Trade Protection Society, and they again took the opinion of the Law Officers in the matter. A copy of this opinion (as result of which the Board issued licenses in the two particular cases referred to) is also annexed.

In effect the Board of Trade deal with each application on its merits having regard to their decision in 1891 as modified by the subsequent opinions of the Law Officers, but speaking broadly the practice at the present time is to grant licenses to associations formed for the promotion of commerce of a general character such as Chamber of Commerce, not confined to a particular trade, and also to associations formed for one particular trade but with an extended area of operations and with objects of a general character. The Board do not however grant licenses to Trade Protection Societies of the ordinary character formed as in the case now before the Government of Bombay, for the purpose of collecting debts and distributing information as to the financial, etc., position of persons with whom the members of the Association have trade dealings.

The print enclosed in your letter is returned herewith.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed) FRANCIS J. S. HOPWOOD,

(Copy) R.—11499—24.

Revenue Department, 1904.

Opinion.

We are of opinion—

1. That the words "Or any other useful object" in section 23 of the Companies Act, 1867, must be limited to any object of an usefulness kindred to the usefulness of commerce, art, science, religion or charity; that is to say the object must either be substantially useful to mankind as aiming at the advancement of wealth generally, culture generally, or knowledge generally; or it must be useful because of its unselfish and philanthropic character, like charity, as improving or benefiting other individuals. Promoting religion might be considered as coming within both of the above definitions.

If the object of the particular Company seeking exemption under section 23 of the Companies Act, 1867, does not come within this description we consider that the Board of Trade cannot authorise registration without the word "Limited".

2. That a Golf Club cannot properly be held to be formed "for the purpose of promoting a useful object" within the meaning of the section. Even if its objects were study and promotion of the right methods of playing that game, the branch of knowledge sought to be promoted would still be too trivial to rank as kindred either with art or science. In fact however a Golf Club is to provide amusement and health for its members and whatever results may follow in spreading a love of the game, or developing superior methods of playing it,

are merely collateral; nor can it be considered that Golf has anything in common with commerce, religion or charity.

(Sd.) R. T. REED,

(„) FRANK LOCKWOOD,

(„) HENRY SUTTON,

Law Officers' Department,
Royal Court of Justice,
3rd November 1894.

(Copy) R.—9346—98.

THE COMPANIES ACT, 1862—1893.

THE BOOT AND SHOE TRADE AND LEITH CORN TRADE.

Opinion of the Law Officers of the Crown and Mr. Sutton.

We are of opinion that the Board of Trade can, if they think proper to do so, register the federated Associations of Boot and Shoe manufacturers and the Leith Corn Trade Associations under Section 23 of the Companies Act, 1867, without the word "Limited" (subject however, as regards the latter to the provisions of Section 23 with respect to profits and dividend being complied with). on the ground that both associations are associations for promoting "Commerce" or "other useful object" within the meaning of that section.

2. We are of opinion that the word "Commerce" may be properly read as applicable to any branch of commerce and that the expression "any other useful object" means any object which the Board of Trade may consider as useful in the interests of the Community.

(Sd.) RICHARD E. WEBSTER,

(„) ROBERT B. FINLEY,

(„) HENRY SUTTON,

Royal Court of Justice,
28th July 1898.

Case for the opinion of the Honourable the Advocate General.

Herewith (1) Memorandum and Articles of Association,

(2) Letter from the Board of Trade and accompaniments.

The Honourable the Advocate General is referred to his opinion No. 9 of 1903.

Commerce means, according to Chambers Dictionary, the interchange of Merchandise on a large scale or an extended trade or traffic.

The operations of the Trading Community of the Bombay Presidency would apparently be a branch of commerce and the promotion thereof would be an object which Government might consider as useful in the interests of the community and an association for that purpose might therefore be registered according to the opinion given by the Law Officers on the 28th of July 1898.

The construction placed upon the words "or any other useful object" by the Law Officers in their opinion dated 3rd November 1894 would apparently justify the registration of an Association having for its object the promotion of the interests of the Trading Community of the Bombay Presidency.

But the question then arises whether the promotion and safeguarding of the interests (general or particular) of the Trading Community of the Bombay Presidency is the main object of the Association.

The main objects of the Bombay Presidency Trades Association are (1) to promote and safeguard the interests of the Trading Community of the Presidency and to collect and distribute such information as may protect its members from loss, (2) to adjust disputes, (3) to collect debts due to members and although the promotion of the Trading Community in the Presidency in clause 3 (1) of the Memorandum of Association is to some extent qualified by the latter portion of that sub-section and other sub-sections inasmuch as it may limit general objects of the Association to the protection of its members; yet it may be taken that the general objects are such that a license might legally be granted if Government considered it desirable to do so.

In connection with section 23 of the English Act of 1867 Mr. Buckley, in his book on the law and practice of the Companies Act suggests that the words "or other useful objects" mean, not necessarily exclusively, but as the main and chief object of the Association and refers to the case of the Institution of Civil Engineers (20 Q. B. D. 621) who claimed exemption from duty on the ground that its profits were applied for the promotion of science, etc., was held by two of the Judges (pages 629 and 630) that as the main object of the Institution was the promotion of science, it was exempt.

The attention of the Honourable the Advocate General might be called to the list of Companies which have been registered under Section 23 of the English Companies Act, 1867, at page 239 of Palmer's Precedents, Part I, 6th edition.

The Honourable the Advocate General is requested to advise whether in view of the opinions given by the Law Officers in England he is of opinion that Government can legally grant a license for the registration of the Association with limited liability without the addition of the word "Limited" to its name.

(Sd.) J. C. G. BOWEN,

Acting Solicitor to Government.

18th January 1904.

No. 3 of 1904.

With reference to No. 259 of the Revenue Department, dated the 12th of January 1904, I am of opinion that a license under Section 26 of the Companies Act can only be legally granted to the Bombay Presidency Trades Association if its main object is the promotion of commerce in general or some large and well recognised trade.

I think that the objects specified in the Memorandum of Association indicate that the main object of the Association is the protection of its individual members from loss or damage chiefly by undertaking the collection of debts and settling disputes between individuals. Neither commerce in general nor any large trade in particular seem to be the special care of the Association. I am therefore inclined to think that a license cannot legally be granted to the Association.

The question is however, one of construction to be decided in each case by Government, the legal principle being that the main purpose is to be regarded in deciding whether or not a license should be granted.

(Sd.) BASIL SCOTT,

Advocate General.

23rd January 1904.

and shall afford the association an opportunity of submitting a representation in opposition to the revocation 15, 16 and 17.

Companies limited by Guarantee

27. (1) In the case of a company limited by guarantee and not having a share capital, and registered after the commencement of this Act, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profit of the company otherwise than as a member shall be void.

(2) For the purpose of the provisions of this Act relating to the memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles, or in any resolution, of any company limited by guarantee and registered

15 Before granting a license for the registration of an Association under section 26 of the Indian Companies Act, 1882, Government will require to have the Memorandum and Articles of Association settled on their behalf by the Solicitor to Government, Bombay, at the expense of the applicants, for which purpose a fee of Rs. 50 must be paid to the Solicitor to Government by any Association applying for such a license. Government will not, however, be responsible for the Memorandum or Articles being properly framed as regards the interests of the Association, and this should be explained to all applicants. Before a license is granted the applicants should be required to insert at their expense in the local newspapers a notice approved by Government in the following form with a view to ascertain whether any objections are taken to the grant of a license :—

Application for a license of Government.

Notice is hereby given that in pursuance of section 26 of the Indian Companies Act, 1882, application has been made to the Government of Bombay for a license directing an Association about to be formed under the name of "The " to be registered with limited liability without the addition of the word "Limited" to its name.

The objects for which the Association is established are :—

(Here state the objects.)

Notice is hereby given that any person, Company or Corporation objecting to this application may bring such objection before the Government of Bombay on or before the day of next by a letter addressed to the Under Secretary to Government, Revenue Department, Secretariat, Bombay.

Dated this day of 19

(G. R., E. D., No. 6631, dated 24th September 1903.)

16 The Memorandum and Articles of Association are exempt from payments of Stamp duty (see exemption under Articles 39 and 10, Schedule I, to the Indian Stamp Act II of 1899).

17 The fee for registration of an Association not for profit as a company with limited liability, shall, when the number of members is stated in the Articles of Association to exceed 20, or to be unlimited be Rs. 50.

(Department of Finance and Commerce, Statistics, Notification No. 3991 of 20th July 1888, *Bombay Government Gazette*, Part I of 26th July 1888, page 622.)

after the commencement of this Act, purporting to divide the undertaking of the company into shares or interests, shall be treated as a provision for a share capital, notwithstanding that the nominal amount or number of the shares or interests is not specified thereby.

PART III.

SHARE CAPITAL, REGISTRATION OF UNLIMITED COMPANY AS LIMITED, AND UNLIMITED LIABILITY OF DIRECTORS.

Distribution of Share Capital.

28. (1) The shares or other interest of any member in a company shall be moveable property, transferable in manner provided by the articles of the company.

Nature of shares.

(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

29. A certificate, under the common seal of the company, specifying any shares or stock held by any member, shall be *prima facie* evidence of the title of the member to the shares or stock therein specified.

Certificate of shares or stock.

30. (1) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

Definition of "member."

(2) Every other person who agrees to become a member of a company, and whose name is entered in its register of members, shall be a member of the company.

31. (1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars:—

Register of members.

(i) the names and addresses, and the occupations, if any, of the members, and in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

(ii) the date at which each person was entered in the register as a member;

(iii) the date at which any person ceased to be a member.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and

every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

32. (1) Every company having a share capital shall once at least in every year make a list of all persons who, on the day of the first or only ordinary general meeting in the year, are members of the company and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company.¹⁸

(2) The list shall state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars :—

- (a) the amount of the share capital of the company, and the number of the shares into which it is divided;
- (b) the number of shares taken from the commencement of the company up to the date of the return;
- (c) the amount called up on each share;
- (d) the total amount of calls received;
- (e) the total amount of calls unpaid;
- (f) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures, since the date of the last return;
- (g) the total number of shares forfeited;
- (h) the total amount of shares or stock for which share-warrants are outstanding at the date of the return;
- (i) the total amount of share-warrants issued and surrendered respectively since the date of the last return;
- (k) the number of shares or amount of stock comprised in each share-warrant;

¹⁸ By section 3 (59) of the General Clauses Act, 1897 "Year" means a year reckoned according to the British Calendar.

It has been decided in the English Courts that the word "Year" where used in the Companies (Consolidation) Act, 1908, means "Calendar Year" namely "1st January to 31st December inclusive".

(Gibson & Barton, L. R. 10 Q. B. 329; *Edmonds vs. Foster*, 33 L. T., 690.)

- (l) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers of the company; and
- (m) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.

(3) The above list and summary shall be contained in a separate part of the register of members, and shall be completed within seven days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with the certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid 19.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

33. No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the registrar.

34. On the application of the transferor of any share or interest in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.

35. A transfer of the share or other interest of a deceased member of a company made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

36. (1) The register of members, commencing from the date of the registration of the company shall be kept at the registered office of the company, and, except when closed under the provisions of this Act, shall during business hours (subject to such reasonable

19 A model form is given in the 3rd Schedule to the Act, "Form E" pages 316 to 318 and this must be used "as nearly as circumstances admit". (See Section 151 (1) *infra*.)

These forms are now printed by Government and kept in stock for sale by the Registrar.

restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied.

(3) If any inspection or copy required under this section is refused, the company shall be liable for each refusal to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall be liable to the like penalty, and the Court may by order compel an immediate inspection of the register.

37. A company may, on giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole thirty days in each year.

Power of Court to rectify register. 38. (1) If—

(a) the name of any person is fraudulently or without sufficient cause entered in or omitted from the register of members of a company; or

(b) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member,

the person aggrieved, or any member of the company, or the company, may apply to the Court for rectification of the register.

(2) The Court may either refuse the application or may order rectification of the register and payment by the company of any damages sustained by any party aggrieved, and may make such order as to costs as it in its discretion thinks fit.

(3) On any application under this section the Court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members or between members or alleged members on the one hand and the company on the other hand; and generally may decide any question necessary or expedient to be decided for rectification of the register :

Provided that the Court may direct an issue to be tried in which any question of law may be raised; and an appeal from the decision

on such an issue shall lie in the manner directed by the Code of Civil Procedure, 1908, on the grounds mentioned in section 100 of that Code.²⁰

39. In the case of a company required by this Act to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar.

Notice to registrar of rectification of register.

40. The register of members shall be *prima facie* evidence of any matters by this Act directed or authorised to be inserted therein.

Register to be evidence.

41. (1) A company having a share capital may, if so authorised by its articles, cause to be kept in the United Kingdom a branch register of members (in this Act called a British register).

Power for company to keep branch register in the United Kingdom.

(2) The company shall, within one month from the date of the opening of any British register, file with the registrar notice of the situation of the office where such register is kept and, in the event of any change in the situation of such office or of its discontinuance, shall within one month from the date of such change or discontinuance, as the case may be, file notice of such change or discontinuance.

(3) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

42. (1) A British register shall be deemed to be part of the company's register of members (in this section called the principal register).

Regulations as to British register.

(2) It shall be kept in the same manner in which the principal register is by this Act required to be kept, except that the advertisement before closing the register shall be inserted in some newspaper circulating in the locality wherein the British register is kept.

(3) The company shall transmit to its registered office in India a copy of every entry in its British register as soon as may be after the entry is made; and shall cause to be kept at such office,

²⁰ The grounds mentioned in section 100 of the Civil Procedure Code, 1908 are as follows :—

- “(a) the decision being contrary to law or to some usage having the force of law;
- “(b) the decision having failed to determine some material issue of law or usage having the force of law;
- “(c) a substantial error or defect in the procedure provided by this Code or by any other law for the time being in force, which may possibly have produced error or defect in the decision of the case upon the merits.”

duly entered up from time to time, a duplicate of its British register, and the duplicate shall, for all the purposes of this Act, be deemed to be part of the principal register.

(4) Subject to the provisions of this section with respect to the duplicate register, the shares registered in a British register shall be distinguished from the shares registered in the principal register, and no transaction with respect to any shares registered in a British register shall, during the continuance of that registration, be registered in any other register.

(5) The company may discontinue to keep any British register, and thereupon all entries in that register shall be transferred to the principal register.

(6) Subject to the provisions of this Act, any company may, by its articles, make such regulations as it may think fit respecting the keeping of a British register.

43. A company limited by shares, if so authorised by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares or stock included in the warrant, in this Act termed a share-warrant 21.

44. A share-warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant.

45. The bearer of a share-warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share-warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled.

46. The bearer of a share-warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Act, either to the full extent or for any purposes defined in the articles, except that he shall not be qualified in respect of the shares or stock specified in the warrant

21 Share warrants which are practically unknown in the Presidency are frequently confused with "share certificates" by companies.

for being a director or manager of the company, in cases where such a qualification is required by the articles.

47. (1) On the issue of a share-warrant, the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely:—

(i) the fact of the issue of the warrant.

(ii) a statement of the shares or stock included in the warrant, distinguishing each share by its number; and

(iii) the date of the issue of the warrant.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully continues or permits the default shall be liable to the like penalty.

48. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Act to be entered in the register of members; and, on the surrender, the date of the surrender shall be entered as if it were the date at which a person ceased to be a member.

49. A company, if so authorised by its articles, may do any one or more of the following things, namely:—

Power of company to arrange for different amounts being paid on shares.

(1) make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares;

(2) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up;

(3) pay dividend in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

50. (1) A company limited by shares, if so authorised by its articles, may alter the conditions of its memorandum as follows (that is to say), it may—

Power of company limited by shares to alter its share capital.

(a) increase its share capital by the issue of new shares of such amount as it thinks expedient;

- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares ;
- (c) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination ;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived ;
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section with respect to sub-division of share; must be exercised by special resolution.

(3) Where any alteration has been made under this section in the memorandum of a company, every copy of the memorandum issued after the date of the alteration shall be in accordance with the alteration.

(4) If a company makes default in complying with the requirements of sub-section (3), it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made ; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(5) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

51. (7) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares or converted any of its shares into stock, or re-converted stock into shares, it shall within fifteen days of the consolidation and division, conversion or re-conversion, file notice with the registrar of the same, specifying the share consolidated and divided, or converted, or the stock re-converted.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every

officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

52. Where a company having a share capital has converted any of its shares into stock, and filed notice of the conversion with the registrar, all the provisions of this Act which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be filed with the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinbefore required by this Act.

53. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing, or in the case of a special resolution the confirmation, of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

54. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes :

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class and confirmed at a meeting of shareholders of that class in the same manner as a special resolution of the company is required to be confirmed, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order or within such further time as the Court

may allow, and the resolution shall not take effect until such a copy has been so filed.

*Reduction of Share Capital*²².

55. (1) No company limited by shares shall have power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in manner hereinafter provided.

Reduction of share capital.

(2) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may—

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company.

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(3) A special resolution under this section is in this Act called a resolution for reducing share capital.

56. Where a company has passed and confirmed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction.

Application of Court for confirming order.

57. On and from the confirmation by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, then on and from the presentation of the petition for confirming the reduction, the company shall add to its name, until such date as the Court may fix, the words "and reduced" as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company :

Addition to name of company of "and reduced."

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, the Court

²² See Rules Nos. 652 to 672 and Forms Nos. 1 to 8 of High Court Rules, pages 355 to 431.

may, if it thinks expedient, dispense altogether with the addition of the words "and reduced²³."

58. (1) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, and in any other case if the Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

(2) The Court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.²⁴

59. Where a creditor entered on the list of creditors whose debt or claim is not discharged or determined does not consent to the reduction, the Court may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the Court may direct, the following amount (that is to say),—

- (i) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;
- (ii) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Court after the like inquiry and adjudication as if the company were being wound up by the Court²⁵.

60. The Court, if satisfied, with respect to every creditor of the company who under this Act is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has been determined or has been

²³ See Rules Nos. 652 and 671, High Court Rules, pages 355 to 431.

²⁴ See Rules Nos. 653, 655, 656, 657, 660, 661 662 and 665, High Court Rules, pages 355 to 431.

²⁵ See Rules Nos. 665 to 670, High Court Rules, pages 355 to 431.

secured, may make an order, confirming the reduction on such terms and conditions as it thinks fit.

61. (1) The registrar on production to him of an order of the Court confirming the reduction of the share capital of a company, and on the filing with him of a certified copy of the order and of a minute (approved by the Court) showing, with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided and the amount of each share, and the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute.

(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

(3) Notice of the registration shall be published in such manner as the Court may direct.

(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute ²⁶ and ²⁷.

26 In a case where a company tendered to the Registrar for filing under section 82 a special resolution purporting to reduce its capital, which resolution was bad on the face of it on account of there not being a clear interval of 14 days between the dates of passing the resolution and confirming it, but which was accompanied by a certified order of the Court under sections 60 and 61 allowing the reduction, the Registrar sought the opinion of the Advocate General as to whether he should refuse to register the resolution and generally on the case.

The Advocate General gave the following opinion :—

“There is no doubt but that under section 61 of the Indian Companies Act VII of 1913 the Registrar is bound to register the Order and Minute of the Court in question and has no option in the matter. Having registered the Order and the Minute, he is clearly bound to issue a Certificate of the Registration, and has no option in this matter either. The legislature has enacted that the certificate of the Registrar shall be conclusive evidence that all requirements of the Act with respect to reduction of share capital have been complied with, in order to set the matter at rest and to prevent the matter being re-opened so as to avoid uncertainty as to position of the Company concerned. The Registrar incurs no responsibility either legal or moral in doing what the Act provides that he shall do, and if, as here, the Legislature chooses to ascribe a particular effect to a particular certificate that disposes of the matter.

As regards the filing of the Special Resolution the position is perhaps not quite clear, but I think it follows from the provisions of Section 61 (4) that the Special Resolution in question must be regarded as being in compliance with the requirements of the Act for the purposes of the Act, and I think therefore the Registrar is bound to file it”.

(Advocate General's Opinion No. 55, dated 12th August 1916.)

27 See Rule No. 671 High Court Rules, pages 355 to 431.

62. (1) The minute when registered shall be deemed to be substituted for the corresponding part of the Minute to form part of memorandum. memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and shall be embodied in every copy of the memorandum issued after its registration.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

63. (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount paid, or (as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute ;

Liability of members in respect of reduced shares.

Provided that, if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for reduction, or of their nature and effect with respect to his claim not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions of this Act with respect to winding up by the Court, to pay the amount of his debt or claim, then—

(i) every person who was a member of the company at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt, or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration ; and

(ii) if the company is wound up, the Court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

(2) Nothing in this section shall affect the rights of the contributories among themselves.

64. If any officer of the company wilfully conceals the name of any creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any officer of the company abets any such concealment or

Penalty on concealment of name of creditor.

misrepresentation as aforesaid, every such officer shall be punishable with imprisonment which may extend to one year, or with fine, or with both.

65. In any case of reduction of share capital, the Court may require the company to publish as the Court directs the reasons for reduction, or such other information in regard thereto as the Court may think expedient with a view to give proper information to the public, and, if the Court thinks fit, the causes which led to the reduction 28.

66. A company limited by guarantee and registered after the commencement of this Act may, if it has a share capital and is so authorised by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company limited by shares may increase or reduce its share capital under the provisions of this Act.

Registration of Unlimited Company as Limited.

67. (1) Subject to the provisions of this section, any company registered as unlimited may register under this Act as limited, or any company already registered as a limited company may re-register under this Act, but the registration of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of, the company before the registration, and those debts, liabilities, obligations and contracts may be enforced in manner provided by Part VIII of this Act in the case of a company registered in pursuance of that Part.

(2) On registration in pursuance of this section, the registrar shall close the former registration of the company and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company; but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Act.

68. An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Act, do either or both of the following things, namely :—

Power of unlimited company to provide for reserve share capital on re-registration.

- (a) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the condition that no part of the amount by which its capital is so increased shall be capable of being called up except in the event and for the purposes of the company being wound up;
- (b) provide that a specified portion of its uncalled share capital shall not be capable of being called up except in the event and for the purposes of the company being wound up.

Reserve Liability of Limited Company.

69 A limited company may by special resolution determine that any portion of its share capital which has not been already called up, shall not be capable of being called up, except in the event and for the purposes of the company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in the event and for the purposes aforesaid.

Reserve liability of limited company.

Unlimited Liability of Directors.

70. (1) In a limited company the liability of the directors or of any director may, if so provided by the memorandum, be unlimited.

Limited company may have directors with unlimited liability.

(2) In a limited company in which the liability of any director is unlimited, the directors of the company (if any) and the member who proposes a person for election or appointment to the office of director shall add to that proposal a statement that the liability of the person holding that office will be unlimited and the promoters and officers of the company, or one of them, shall, before the persons accepts the office or acts therein, give him notice in writing that his liability will be unlimited.

(3) If any director or proposer makes default in adding such a statement, or if any promoter or officer of the company makes default in giving such a notice, he shall be liable to a fine not exceeding one thousand rupees and shall also be liable for any damage which the person so elected or appointed may sustain from the default, but the liability of the person elected or appointed shall not be affected by the default.

71. (1) A limited company, if so authorised by its articles, may, by special resolution, alter its memorandum so as to render unlimited the liability of its directors or of any director.

Special resolution of limited company making liability of directors unlimited.

(2) Upon the confirmation of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum, and a copy thereof shall be embodied in or annexed to every copy of the memorandum issued after the confirmation of the resolution.

(3) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

PART IV.

MANAGEMENT AND ADMINISTRATION.

Office and Name.

72. (1) Every company shall have a registered office to which all communications and notices may be addressed.

Registered office of all communications and notices may be addressed.
Company.

(2) Notice in writing of the situation of the registered office, and of any change therein, shall be filed with the registrar, who shall record the same.

(3) If a company carries on business without complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

Publication of name by a limited company. 73. Every limited company—

(a) shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible and in English characters, and also, if the registered office be situate in a place beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place²⁹.

²⁹ In the mofussil inspections under this sub-section are performed by the Assistant Registrars.

(b) shall have its name engraved in legible character on its seal; 30

(c) shall have its name mentioned in legible English characters in all bill-heads and letter paper and in all notices, advertisements and other official publications of the company, and all bills of exchange, hundis, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

74. (1) If a limited company does not paint or affix and keep painted or affixed, its name in manner directed by this Act, it shall be liable to a fine not exceeding fifty rupees for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Penalties for non-publication of name.

(2) If any officer of a limited company, or any person on its behalf, uses or authorises the use of any seal purporting to be a seal of the company whereon its name is not so engraved as aforesaid, or issues or authorises the issue of any bill-head, letter paper, notice, advertisement or other official publication of the company, or signs or authorises to be signed on behalf of the company any bill of exchange, hundi, promissory note, endorsement, cheque or order for money or goods, or issues or authorises to be issued any bill of parcels, invoice, receipt or letter of credit of the company wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five hundred rupees, and shall further be personally liable to the holder of any such bill of exchange, hundi, promissory note, cheque or order for money or goods for the amount thereof, unless the same is duly paid by the company.

75. (1) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorised capital of the company, such notice, advertisement or other official publication shall also contain a statement, in an equally prominent position and in equally conspicuous characters of the amount of the capital which has been subscribed and the amount paid up.

Publication of authorised as well as subscribed and paid-up capital.

(2) Any company which makes default in complying with the requirements of this section and every officer of the company who

30 Rubber stamp seals are legal (Reg. vs. St. Paul's Covent Garden (1844) 7 Q. B.-555), and from the fact that the words "legible characters" are used instead of "legible English characters" as in section 73 (a) and (c), it appears that the same may be in the vernacular only, on the seal.

as knowingly a party to the default shall be liable to a fine not exceeding one thousand rupees.³¹

Meetings and Proceedings.

76. (1) A general meeting of every company shall be held once
Annual general at the least in every year, and not more than
meeting. fifteen months after the holding of the last pre-
ceding general meeting, and, if not so held, the company, and every
officer of the company who is knowingly a party to the default shall
be liable to a fine not exceeding five hundred rupees.

(2) When default has been made in holding a meeting of the
company in accordance with the provisions of this section, the
Court may, on the application of any member of the company,
call or direct the calling of a general meeting of the company.³²

77. (1) Every company limited by shares and registered after
the commencement of this Act shall, within a
Statutory meeting period of six months from the date at which
of company. the company is entitled to commence business,
hold a general meeting of the members of the company, which shall
be called the statutory meeting.

(2) The directors shall, at least ten days before the day on which
the meeting is held, forward a report (in this Act called "the statu-
tory report") to every member of the company and to every other
person entitled under this Act to receive it.³³

(3) The statutory report shall be certified by not less than two
directors of the company or, where there are less than two directors,
by the sole director and shall state—

- (a) the total number of shares allotted, distinguishing shares
allotted as fully or partly paid up otherwise than in
cash, and stating in the case of shares partly paid up
the extent to which they are so paid up, and in either
case the consideration for which they have been allot-
ted;
- (b) the total amount of cash received by the company in res-
pect of all the shares allotted distinguished as afore-
said;
- (c) an abstract of the receipts of the company whether from
its share capital or from debentures, and of the pay-

³¹ This is an entirely new section and no such provision is contained in the
English Act.

³² For the meaning of the word "Year" see Note 18, page 154 under section
³² (1) *supra*.

³³ See Form No. XXIV, Indian Companies Rules, 1914 (amended). Pages
323 to 354.

ments made thereout, up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout and particulars concerning the balance remaining in hand and an account or estimate of the preliminary expenses of the company;

- (d) the names, addresses and descriptions of the directors, auditors (if any), managers (if any) and secretary of the company;
- (e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval together with the particulars of the modification or proposed modification.

(4) The statutory report shall, so far as it relates to the shares allotted by the company and to the cash received in respect of such shares and to the receipts and payments of the company on capital account, be certified as correct by the auditors (if any) of the company.

(5) The directors shall cause a copy of the statutory report, certified as by this section required, to be filed with the registrar forthwith, after the sending thereof to the members of the company.

(6) Every director of the company who knowingly and wilfully authorises or permits a default in complying with the provisions of sub-section (2) or sub-section (5) shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(7) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(8) The members of the company present at the meeting shall be at liberty to discuss any matters relating to the formation of the company, or arising out of the statutory report whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the articles may be passed.

(9) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(10) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in

filing the statutory report or in holding the statutory meeting, the Court, may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(11) The provisions of this section as to the forwarding and filing of the statutory report shall not apply in the case of a private company.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on Calling of extra-ordinary general meeting on requisition. the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) If at any such meeting a resolution requiring confirmation at another meeting is passed, the directors shall forthwith call a further extraordinary general meeting for the purpose of considering the resolution and, if thought fit, of confirming it as a special resolution and, if the directors do not call the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them in value, may themselves call the meeting.

(5) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

79 In default of, and subject to, any regulations in the Provisions as to articles,—meetings and votes.

- (i) a meeting of a company may be called by fourteen days' notice in writing, served on every member in manner in which notices are required to be served by Table A in the First Schedule;
- (ii) five members may call a meeting;
- (iii) any person elected by the members present at a meeting may be chairman thereof; and
- (iv) every member shall have one vote.

80. A company which is a member of another company may, by resolution of the directors, authorise any of its officials or any other person to act as its representative at any meeting of that other company and the person so authorised shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of that other company.

81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been—

(a) passed in manner required for the passing of an extraordinary resolution; and

(b) confirmed by a majority of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a subsequent general meeting, of which notice has been duly given, and held after an interval of not less than fourteen days, nor more than one month, from the date of the first meeting.³⁴ and ³⁵.

(3) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a poll may be demanded by three persons for the time being entitled according to the articles to vote, unless the articles of the company require a demand by such number of such persons, not in any case exceeding five, as may be specified in the articles.

³⁴ A company in liquidation cannot rescind a resolution passed for winding up, and continue business.

(Solicitor to Government's opinion No. 775 of 25th May 1912.)

³⁵ "An interval of not less than fourteen days" means that there must be an interval of fourteen clear days not counting the days on which the two meetings are held. Thus if the first meeting is held on the 1st January the confirming meeting cannot be held before the 16th January.

(*Railway Sleepers Supply Co.*, 29 Ch. D. 204.)

(5) In a case where, if a poll is demanded, it may in accordance with the articles be taken in such manner as the chairman may direct: it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles

82. (1) A copy of every special and extraordinary resolution Registration and shall, within fifteen days from the confirmation copies of special and of the special resolution or from the passing of extraordinary resolutions. the extraordinary resolution. as the case may be, be printed or typewritten and filed with the registrar, who shall record the same.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.

(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member, at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member, when required by this section, a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company, who knowingly and wilfully authorises or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

83. (1) Every company shall cause minutes of all proceedings Minutes of proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had thereat to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.

Directors.

83A. (1) Every company registered after the commencement of Directors obligatory. this Act shall have at least two directors.

(2) This section shall not apply to a private company.³⁶

83B In default of and subject to any regulations in the articles
Appointment of of a company other than a private
directors. company—

(i) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(ii) the directors of the company shall be appointed by the members in general meeting; and

(iii) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.³⁶

84. (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the

Restrictions on ap-
pointment or ad-
vertisement of direc-
tor.

³⁶ Sections 83A and 83B were inserted by section 2 of Act XI of 1914.

statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorised in writing—

- (i) signed and filed with the registrar a consent in writing to act as such director³⁷; and
- (ii) save in the case of a company limited by guarantee and not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any).³⁸

(2) On the application for registration of the memorandum and articles of a company the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.³⁹

(3) This section shall not apply to a private company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

85. (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not
 Qualification of already qualified, to obtain his qualification director. within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) The office of director of a company shall be vacated if the director does not, within two months from the date of his appointment, or within such shorter time as may be fixed by the articles, obtain his qualification, or if after the expiration of such period or shorter time he ceases at any time to hold his qualification; and a person vacating office under this section shall be incapable of being re-appointed director of the company until he has obtained his qualification.

(3) If, after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between

³⁷ For Form of Consent see Form No. II, Indian Companies Rules, 1914, page 327.

³⁸ See Form No. XXV, Indian Companies Rules, 1914 (amended), page 353.

³⁹ See Form No. III, Indian Companies Rules, 1914, page 328.

the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

86. The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification: Provided that nothing in this section shall be deemed to give validity to acts done by a director after the appointment of such director has been shown to be invalid.

87. (1) Every company shall keep at its registered office a register containing the names and addresses and the occupations of its directors, and file with the registrar a copy thereof, and from time to time file with the registrar notice of any change among its directors or managers.⁴⁰

(2) If default is made in complying with this section, the company shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Contracts.

88. (1) Contracts on behalf of a company may be made as follows (that is to say):—

- (i) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged;
- (ii) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law, and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives, as the case may be.

89. A bill of exchange, hundi or promissory note shall be deemed to have been made, drawn, accepted or endorsed on behalf of a company if made, drawn, accepted or endorsed in the name of, or by or on behalf or on account of, the company by any person acting under its authority, express or implied.

⁴⁰ See Form No. XXVI, Indian Companies Rules, 1914 (amended), page 354.

90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place not situate in British India; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required, shall bind the company, and have the same effect as if it were under its common seal.

91. (1) A company whose objects require or comprise the transaction of business beyond the limits of British India may, if authorised by its articles, have for use in any territory, district or place not situate in British India, an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district or place where it is to be used.

(2) A company having such an official seal may, by writing under its common seal, authorise any person appointed for the purpose in any territory, district or place not situate in British India to affix the same to any deed or other document to which the company is party in that territory, district or place.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

"91-A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement :

Provided that a general notice that a director is a member of any specified firm or company, and is to be regarded as interested in any subsequent transaction with such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this sub-section, and after such general notice, it shall

not be necessary to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.⁴¹

91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested; and if he does so vote his vote shall not be counted;

Prohibition of voting by interested director.

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees⁴¹

(3) This section shall not apply to a private company.^{41(a).}

91C. (1) Where a company enters into a contract for the appointment of a manager of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.^{41(b).}

Disclosure to members in case of contract appointing a manager.

⁴¹ Sections 91A, 91B, 91C and 91D were inserted after section 91 by section 3 of the Indian Companies (Amendment) Act, IX of 1914.

^{41 (a)} Added by section 2 of the Indian Companies Act XLII of 1920 (*vide* p. 137 of part IV of the Government of India Gazette dated 18th September 1920).

^{41 (b)} Under section 91c of the Indian Companies Act, 1913, the abstract and memorandum referred to are to be sent by the company, apparently at the time the contract is entered into, and to the then members of the company.

A reference to the agreement and the director's interest therein in the articles or memorandum of association and a disclosure of the same in the prospectus or statement in lieu of prospect would, as regards a company not yet incorporated, presumably be a mere statement of intention. There is no guarantee that these intimations would reach the members forming the company at the time the actual contract is entered into.

The terms of the section are imperative and it appears that in every case the fact of the contract having been entered into, the terms thereof and the director's interest therein should be communicated to the members of the company as constituted at the time the contract is entered into whether or not the regulations of the company allow a director to contract with the company.

2. An abstract and memorandum should be sent as required by section 91-c; the section does not prescribe any particular form (Remembrancer of Legal Affairs, No. 1886, dated the 13th August 1920; Government Order No. C.—648, Revenue Department, dated 26th August 1920).

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

91D. (1) Every manager or other agent of a company other than a private company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

Contracts by agents of company in which company is undisclosed principal.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

(a) the contract shall at the option of the company, be void as against the company; and

(b) such manager or other agent shall be liable to a fine not exceeding two hundred rupees."

Prospectus.

92 (1) Every prospectus issued by or on behalf of a company, or in relation to any intended company shall be dated and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus.

(2) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorised in writing, shall be filed for registration with the registrar on or before the date of its publication, and, no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3) The registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5) If a prospectus is issued without a copy thereof being so filed, the company, and every person who is knowingly a party to the issue of the prospectus, shall be liable to a fine not exceeding fifty rupees for every day from the date of the issue of the prospectus until a copy thereof is so filed.

93. (1) Every prospectus issued by or on behalf of a company,
Specific require- or by or on behalf of any person who is or has
ments as to particulars been engaged or interested in the formation of
of prospectus. the company shall state—

- (a) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company; and
- (b) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and
- (c) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers (if any); and
- (d) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and
- (e) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued; and
- (f) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payable to each vendor: Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

- (g) the amount (if any) paid or payable as purchase-money in cash, shares or debentures for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and
- (h) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or the rate of any such commission: Provided that it shall not be necessary to state the commission payable to sub-underwriters; and
- (i) the amount or estimated amount of preliminary expenses; and
- (k) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and
- (l) the dates of, and parties to, every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract entered into more than two years before the date of issue of the prospectus; and
- (m) the names and addresses of the auditors (if any) of the company; and
- (n) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and
- (c) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by the several classes of shares respectively.

(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimated amount of preliminary expenses shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.

94. For the purposes of section 93 every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

Meaning of "vendor" in section 93.

(a) the purchase-money is not fully paid at the date of issue of the prospectus; or

(b) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(c) the contract depends for its validity or fulfilment on the result of that issue.

95. Where any of the property to be acquired by the company is to be taken on lease, section 93 shall apply as if the expression "vendor" included the lessor and the expression "purchase-money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

Application of section 93 to the case of property taken on lease.

96. Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

Invalidity of certain conditions as to waiver or notice.

97. In the event of non-compliance with any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance, if he proves that—

(a) as regards any matter not disclosed, he was not cognisant thereof; or

(b) the non-compliance arose from an honest mistake of fact on his part:

Provided that, in the event of non-compliance with the requirements contained in clause (a) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance unless it be proved that he had knowledge of the matters not disclosed.

98. (1) A company which does not issue a prospectus on or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act or, in so far as it relates to the allotment of shares, to a company limited by guarantee and not having a share capital.⁴¹ (c).

99. A company shall not, at any time, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the company in general meeting.

100. (1) Where a prospectus invites persons to subscribe for shares in or debentures of a company, every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorised the naming of himself and is named in the prospectus as a director or as having agreed to become a director either immediately or after an interval of time, and every promoter of the company, and every person who has authorised the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for all loss or damage

⁴¹ (c) For interpretation of this Section (*vide* G. R., F. D., No. 8395, dated 9th September 1930.)

they may have sustained by reason of any misleading or untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved—

- (a) with respect to every misleading or untrue statement not purporting to be made on the authority of an expert or of a public official document or statement that he had reasonable ground to believe and did up to the time of the allotment of the shares or debentures, as the case may be, believe that the statement fairly represented the facts or was true:
- (b) with respect to every misleading or untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation: Provided that the director, person named as director, promoter or person who authorised the issue of the prospectus shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it; and
- (c) with respect to every misleading or untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document:

or unless it is proved—

- (i) that having consented to become a director of the company he withdrew his consent before the issue of the prospectus, and that it was issued without his authority or consent; or
- (ii) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave a reasonable public notice that it was issued without his knowledge or consent; or
- (iii) that, after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any misleading or untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal and of the reason therefor.

(2) Where a company existing at the commencement of this Act has issued shares or debentures, and for the purpose of obtaining further capital by subscriptions for shares or debentures issue

a prospectus, a director shall not be liable in respect of any statement therein, unless he has authorised the issue of the prospectus, or has adopted or ratified it.

(3) Where the prospectus contains the name of a person as a director of the company, or as having agreed to become a director thereof, and he has not consented to become a director, or has withdrawn his consent before the issue of the prospectus, and has not authorised or consented to the issue thereof, the directors of the company, except any without whose knowledge or consent the prospectus was issued, and any other person who authorised the issue thereof, shall be liable to indemnify the person named as aforesaid against all damages, costs and expenses to which he may be made liable by reason of his name having been inserted in the prospectus, or in defending himself against any suit or legal proceedings brought against him in respect thereof.

(4) Every person who by reason of his being a director or named as a director, or as having agreed to become a director or of his having authorised the issue of the prospectus, becomes liable to make any payment under this section, may recover contribution, as in cases of contract, from any other person who, if sued separately, would have been liable to make the same payment, unless the person who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(5) For the purposes of this section—

- (a) the expression “promoter” means a promoter who was a party to the preparation of the prospectus, or the portion thereof containing the misleading or untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company;
- (b) the expression “expert” includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

Allotment.

101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription, unless the following conditions have been complied with, namely:—

- (a) the amount (if any) fixed by the memorandum or articles and named in the prospectus as the minimum subscription upon which the directors may proceed to allotment; or
- (b) if no amount is so fixed and named, then the whole amount of the share capital so offered for subscription,

has been subscribed, and the sum payable on application for the amount so fixed and named, or for the whole amount offered for subscription, has been paid to and received in cash by the company.

(2) The amount so fixed and named and the whole amount aforesaid shall be reckoned exclusively of any amount payable otherwise than in cash, and is in this Act referred to as the minimum subscription.

(3) The amount payable on application on each share shall not be less than five per cent. of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and twenty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within one hundred and thirty days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent. per annum from the expiration of the one hundred and thirtieth day: Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say),—

(a) the amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent. of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act.

102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

103. (1) A company shall not commence any business or exercise any borrowing powers unless—

Restrictions on commencement of business.

- (a) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and
- (b) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription or, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and
- (c) there has been filed with the registrar a duly verified declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and⁴²
- (d) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar a statement in lieu of prospectus.⁴³

(2) The registrar shall, on the filing of a duly verified declaration, in accordance with the provisions of this section, certify that

⁴² See Form IV of the Indian Companies Rules, 1914, page 329.

⁴³ See Form V of the Indian Companies Rules, 1914, page 330.

the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled :

Provided that, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees for every day during which the contravention continues.

(6) Nothing in this section shall apply to a private company, or to a company registered before the commencement of this Act, which does not issue a prospectus inviting the public to subscribe for its shares or, in so far as its provisions relate to shares, to a company limited by guarantee and not having a share capital.^{43(a)}

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

Return as to allotment.

(a) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and⁴⁴

(b) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed ^{44(a)} manner of all such contracts and a return

43 (a) For interpretation of this section (*vide* G. R. F. D., No. 8395, dated 9th September 1930).

44 See Form VI, Indian Companies Rules, 1914, page 331.

44 (a) For verification see rule 3 of the Indian Companies Rules 1914, page 323.

stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

II of 1899.

(2) Where such a contract as above-mentioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract, stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Indian Stamp Act, 1899, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Act.⁴⁵

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues :

Provided that, in case of default in filing with the registrar within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.⁴⁶

Commissions and Discounts.

105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company if the payment of the commission is authorised by the articles, and the commission paid or agreed to be paid does not exceed the amount or rate so authorised, and if the amount or rate per cent. of the commission paid or agreed to be paid is,—

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

(a) in the case of shares offered to the public for subscription, disclosed in the prospectus ; or

(b) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form

⁴⁵ See Form VII, Indian Companies Rules, 1914, page 332.

⁴⁶ As to fees see Note No. 109 page 300 *infra* after Table "B" in the First Schedule to the Act.

signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares is issued, also disclosed in that circular or notice.⁴⁷

(2) Save as aforesaid, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring, or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase-money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase-money or contract price, or otherwise.

(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have, and shall be deemed always to have had, power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

106. Where a company has paid any sums by way of commission in respect of any shares or debentures, or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed, or so much thereof as has not been written off, shall be stated in every balance-sheet of the company until the whole amount thereof has been written off.

Statement in balance-sheet as to commissions and discounts.

Payment of Interest out of Capital.

107. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant :

Power of company to pay interest out of capital in certain cases.

47 See Form VIII, Indian Companies Rules, 1914, page 333.

Provided that—

- (1) no such payment shall be made unless the same is authorised by the articles or by special resolution;
- (2) no such payment, whether authorised by the articles or by special resolution, shall be made without the previous sanction of the Local Government, which sanction shall be conclusive evidence, for the purposes of this section, that the shares of the company, in respect of which such sanction is given, have been issued for a purpose specified in this section;
- (3) before sanctioning any such payment, the Local Government may, at the expense of the company, appoint a person to inquire and report to such Local Government as to the circumstances of the case, and may, before making the appointment, require the company to give security for the payment of the costs of the inquiry;
- (4) the payment shall be made only for such period as may be determined by the Local Government; and such period shall in no case extend beyond the close of the half-year next after the half-year during which the works or buildings have been actually completed or the plant provided;
- (5) the rate of interest shall in no case exceed four per cent. per annum or such lower rate as the Governor General in Council may, by notification in the *Gazette of India*, prescribe;
- (6) the payment of the interest shall not operate as a reduction of the amount paid up on the shares in respect of which it is paid;
- (7) the accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate;
- (8) nothing in this section shall affect any company to which the Indian Railway Companies Act, 1895, or the Indian Tramways Act, 1902, applies.⁴⁸

X of 1895.
IV of 1902.

48 *Payment of interest out of capital.*

The Government of India asked the Board of Trade in England what was the procedure in England where applications for permission to pay interest out of capital during the period of construction were made. They also asked the following specific questions:—

“The Government of India would, in particular, be glad to know whether—

- (i) the Board of Trade require to be informed of the period likely to be occupied in construction and during which no profits accrue to the undertaking;

Certificates of Shares, etc.

108. (1) Every company shall, within three months after the allotment of any of its shares, debentures or debenture stock, and within three months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

Limitation of time
for issue of certificates.

- (ii) the term "lengthened period" has at any time been defined or if any limit of time has been prescribed under proviso (4) of the section;
- (iii) the Board require applicants to show that the shares upon which it is proposed to pay interest out of capital were actually issued to meet the expense of construction and also how many of the shares are actually paid up;
- (iv) they require that the Company should be registered before sanction is accorded to the payment; and whether,
- (v) it is usual to institute any inquiries into the circumstances of the case under proviso (3) of the section.

To which the Board of Trade replied as follows:—

Before such an application is considered, it is usual to ask for the following:—

- (1) A copy of the memorandum and articles of association, (2) a copy of the prospectus (if any) on which the capital has been or is to be issued, (3) a statement showing the amount proposed to be expended on the works, etc., and an estimate of the period over which the construction is likely to extend, (4) particulars of any contracts entered into by the Company for the construction of the works, etc., (5) any other information which may be required in any particular case. If it is decided to grant the application, a statutory declaration is required from one or two of the directors or officers of the company embodying the facts on which the application is based.

I am also to give the following replies to the specific questions in the letter from the Government of India:—

1. Yes.
2. No to both questions. It has not been found possible to lay down any general rule in this respect, and consideration has to be given to the circumstances of each particular case.
3. Applicants are required to show that the proceeds of the shares in respect of which sanction is desired, are to be applied, or have been applied substantially in expenses of construction. Sanction would be given in a proper case before the actual issue of the shares, but when the shares have been issued particulars of the amounts paid up would be required.
4. Yes. Until the company is registered, there is no entity to which sanction can be given, and the provisions of sub-section (1) of section 91 of the Companies (Consolidation) Act, 1908, should be complied with. An application by the promoters before registration of the company would, however, be considered, although no formal sanction would be given until after incorporation.
5. No necessity has yet arisen for such a procedure."

(G. R., R. D., No. 2659 dated 23rd March 1914.)

(2) If default is made in complying with the requirements of this section, the company, and every officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.⁴⁹

Information as to Mortgages, Charges, etc.

Certain mortgages and charges to be void if not registered. 109. Every mortgage or charge created after the commencement of this Act by a company and being either—

- (a) a mortgage or charge for the purpose of securing any issue of debentures; or
- (b) a mortgage or charge on uncalled share capital of the company; or
- (c) a mortgage or charge on any immoveable property⁵⁰ wherever situate, or any interest therein; or
- (d) a mortgage or charge on any book debts of the company; or
- (e) a floating charge on the undertaking or property of the company;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge together with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy thereof verified in the prescribed manner, are filed with the registrar for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any

49 Dividend Restrictions owing to War.

The following Notice issued by the Board of Trade in England was circulated for general information :—

Official Notice to Joint Stock Companies.

The Board of Trade warns all Joint Stock Companies and their officers that :—

- (1) No dividends or interest declared or becoming due after the outbreak of war should be paid during the war to, or in accordance with instructions from, any person resident in enemy territory. Such dividends or interest should be paid into a separate account at a bank to be disposed of after the conclusion of the war;
- (2) No transfer of any shares or debentures from any person resident in enemy territory should be registered during the war.

(Press Note R. D. No. 12229 of 1914, dated 9th December 1914.)

(Subsequently a Custodian of Enemy Property was appointed, to whom such payments could be made.)

⁵⁰ Section 3 (25) of the General Clauses Act, 1897 :—

“Immoveable property shall include land, benefits to arise out of land, and things attached to the earth.”

contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable.
51 and 52.

Provided that,

- (i) in the case of a mortgage or charge created out of British India, comprising solely property situate outside British India, twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and
- (ii) where the mortgage or charge is created in British India but comprises property outside British India, the instrument creating or purporting to create the mortgage or charge, or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and
- (iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not, for the purposes of this section, be treated as a mortgage or charge on those book debts; and
- (iv) the holding of debentures entitling the holder to a charge on immoveable property shall not be deemed to be an interest in immoveable property.

110. Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu* is created

Particulars in case of series of debentures entitling holders *pari passu*.

51 For verification and fee, see rules 4 and 6 of the Indian Companies Rules, 1914, and for particulars of the mortgage or charge, see Form IX of the said rules (pages 324 and 334).

52 Instrument of pawn pledge of goods if unattested is exempt from stamp duty (see exemption, Article 6, Schedule 1, to the Indian Stamp Act, 1899).

(b) The duty on an unattested instrument evidencing an agreement relating to the hypothecation of moveable property where such hypothecation has been made by way of security for the repayment of money advanced or to be advanced by way of loan or of an existing or future debt is wholly remitted. (Govt. of India Notification No. 387-F., dated 14th February 1918, published at page 302, Part I, *Bombay Government Gazette*, dated 21st February 1918.)

by a company, it shall be sufficient for the purposes of section 109 if there are filed with the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars:—

- (a) the total amount secured by the whole series; and
- (b) the dates of the resolutions authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined; and
- (c) a general description of the property charged; and
- (d) the names of the trustees (if any) for the debenture-holders;

together with the deed or a copy thereof verified in the prescribed manner ^{52(a)}containing the charge, or if there is no such deed, one of the debentures of the series, and the registrar shall, on payment of the prescribed fee, enter those particulars in the register:

Provided that, where more than one issue is made of debentures in the series, there shall be filed with the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.⁵³

111. Where any commission, allowance or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be filed for registration under sections 109 and 110 shall include particulars as to the amount or rate per cent. of the commission, discount or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

112. (1) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the commencement of this Act

⁵² (a) For verification of a copy of the deed, see rule 4, and for fees payable, see rule 6 (1) of the Indian Companies Rules, 1914, pages 323 and 324, and also N. 109, page 300.

⁵³ See Forms X and XI. Indian Companies Rules, 1914, pages 335 and 336.

and requiring registration under section 109, and shall, on payment of the prescribed fee, ^{53(a)} enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.⁵⁴

(2) After making the entry required by sub-section (1), the registrar shall return the instrument (if any) or the verified copy thereof, as the case may be, filed in accordance with the provisions of section 109 or section 110, to the person filing the same.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee, not exceeding one rupee for each inspection.

113. The registrar shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Act.

Index to register of mortgages and charges.

114. The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of section 109, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of sections 109 to 112 as to registration have been complied with.

Certificate of registration.

115. The company shall cause a copy of every certificate of registration, given under section 114, to be endorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered :

Endorsement of certificate of registration on debenture or certificate of debenture stock.

Provided that nothing in this section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be endorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

116. (1) It shall be the duty of the company to file with the registrar, for registration, the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series requiring registration under section 109, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

Duty of company and right of interested party as regards registration.

^{53 (a)} For fee see rule 6. Indian Companies Rules. 1914. page 324, and N. 109, page 300.

⁵⁴ See Form XII, Indian Companies Rules. 1914, page 337.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

117. Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under section 109, to be kept at the registered office of the company: Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

Copy of instrument creating mortgage or charge to be kept at registered office.

118. (1) If any person obtains an order for the appointment of a receiver of the property of a company, or appoints such a receiver under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of the appointment under the powers contained in the instrument, file notice of the fact with the registrar, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.⁵⁵

Registration of appointment of receiver.

(2) If any person makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract, in the prescribed form, of his receipts and payments during the period to which the abstract relates, and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.⁵⁶

Filing of accounts of receivers.

(2) Every receiver who makes default in complying with the provisions of this section shall be liable to a fine not exceeding five hundred rupees.

120. The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or misstatement of any particular with respect to any such mortgage or charge was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the Court

Rectification of register of mortgages.

⁵⁵ See Form XIII, Indian Companies Rules, 1914, page 338.

⁵⁶ See Forms XIV and XV, Indian Companies Rules, 1914, pages 339 and 340.

just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or misstatement be rectified, and may make such order as to the costs of the application as it thinks fit.

121. The registrar may, on evidence being given to his satisfaction that the debt for which any registered mortgage or charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall, if required, furnish the company with a copy thereof.⁵⁷

122. (1) If any company makes default in filing with the registrar for registration the particulars—

- (a) of any mortgage or charge created by the company; or
- (b) of the issues of debentures of a series.

requiring registration with the registrar under the foregoing provisions of this Act, then, unless the registration has been effected on the application of some other person, the company, and every officer of the company or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company who knowingly and wilfully authorises or permits the default shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

123. (1) Every limited company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

⁵⁷ See Form XII, Indian Companies Rules, 1914, page 337.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

124. (1) The copies kept at the registered office of the company in pursuance of section 117 of instruments creating any mortgage or charge requiring registration under this Act with the registrar, and the register of mortgages kept in pursuance of section 123 shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one rupee for each inspection, as the company may prescribe.

(2) If inspection of the said copies or register is refused, the company shall be liable to a fine not exceeding fifty rupees and a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and in addition to the above penalty, the Court may by order compel an immediate inspection of the copies or register.

125. (1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(2) A copy of any trust-deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust-deed of the sum of one rupee or such less sum as may be prescribed by the company, or, where the trust-deed has not been printed, on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding fifty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty and the Court may by order compel an immediate inspection of the register.

Debentures and floating Charges.

126. A condition contained in any debentures or in any deed for Perpetual debentures. securing any debentures, whether issued or executed before or after the passing of this Act, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period, however long.

127. (1) Where either before or after the commencement of this Act a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the company so to do (not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns) shall have power, and shall be deemed always to have had power, to keep the debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power, the company shall have power, and shall be deemed always to have had power, to re-issue the debentures, either by re-issuing the same debentures or by issuing other debentures in their place, and upon such re-issue, the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued.

(2) Where with the object of keeping debentures alive for the purpose of re-issue, they have, either before or after the commencement of this Act, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this section.

(3) Where a company has, either before or after the commencement of this Act, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remained so deposited.

(4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Act, shall be treated as the issue of a new debenture for the purposes of stamp-duty, but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued :

Provided that any person lending money on the security of a debenture re-issued under this section, which appears to be duly

stamped, may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence, might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty.

(5) Nothing in this section shall prejudice—

(a) the operation of any decree or order of a Court of competent jurisdiction pronounced or made before the twenty-fifth day of February, 1910, as between the parties to the proceedings in which the decree or order was made, and any appeal from any such decree or order shall be decided as if this Act had not been passed; or

(b) any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.

128. A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

Specific performance of contract to subscribe for debentures.

129. (1) Where either a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture-holders of any property comprised in or subject to the charge, then, if the company is not at the time in course of being wound up, the debts which in every winding up are under the provisions of Part V relating to preferential payments to be paid in priority to all other debts, shall be paid forthwith out of any assets coming to the hands of the receiver or other person taking possession as aforesaid in priority to any claim for principal or interest in respect of the debentures.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

(2) The periods of time mentioned in the said provisions of Part V shall be reckoned from the date of the appointment of the receiver or of possession being taken as aforesaid, as the case may be.

(3) Any payments made under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

Statements, Books and Accounts.

130. Every company shall keep proper books of account in which shall be entered full, true and complete accounts of the affairs and transactions of the company.

131. (1) Every company shall, once at least in every year and at intervals of not more than fifteen months, cause the accounts of the company to be balanced and a balance-sheet to be prepared.⁵⁸

(2) The balance-sheet shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report, and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet so audited to the registered address of every member of the company at least seven days before the meeting at which it is to be laid before the members of the company and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least seven days before that meeting.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding one thousand rupees, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.^{58(a)}.

132 (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.

⁵⁸ For the meaning of the word "Year" see Note 12 under section 32 (1) p. 154 *supra*.

^{58 (a)} Discretion is given to the Registrar of Companies to refrain from taking action in respect of the breach of provisions of Section 131 of the Companies Act in certain cases (Government Order No. 5285, Revenue Department, dated 24th May 1919).

(2) The balance-sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit.⁵⁸ (b), 59, 59 (a) and 60.

Authentication of balance sheet. 133. (1) Save as provided by sub-section (2) the balance-sheet shall--

(i) in the case of a banking company, be signed by the manager (if any) and, where there are more than three directors of the company, by at least three of those directors and, where there are not more than three directors, by all the directors;

(ii) in the case of any other company, be signed by two directors or, when there are less than two directors by the sole director and by the manager (if any) of the company.

(2) When the total number of directors of the company for the time being in British India is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet shall be signed by all the directors for the time being in British India, or, if there is only one director for the time being in British India, by such director, but in such a case there shall be subjoined to the balance-sheet a statement signed by such directors or director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any copy of a balance-sheet which has not been signed as required by this section is issued, circulated or published, the company and every officer of the company who is knowingly a party to the default shall be punishable with fine which may extend to five hundred rupees.

134 (1) After the balance-sheet has been laid before the company at the general meeting, a copy thereof signed by the manager or secretary of the company shall be filed with the registrar at the
Copy of balance-sheet and auditor's report to be forwarded to the registrar.

58 (b) For Form F see pages 319 to 321.

58 If the document submitted as a balance-sheet whether passed by the shareholders or not, is not the balance-sheet contemplated by the Act and Schedule F, it would follow that the provisions of section 134 will not have been complied with by the submission of the document and the registrar ought not to register the same.

(Advocate General's opinion No. 79 of 1916, dated 17th November 1916.)

59 (a) But the registrar has to exercise his own discretion and in proper cases may ask for information under Section 137 and on receipt of such information may annex the same to the balance-sheet and register.

(Advocate General's opinion No. 14 of 1927, dated 22nd March 1927.)

60 It is for the auditors to see to the details of the balance-sheet and if they fail to do so they are liable for misfeasance.

(Solicitor to Government's letter No. 2044, dated 1st November 1907.)

same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.⁶¹

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copy thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.

(4) If a company makes default in complying with the requirements of this section, the company and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty as is provided by section 32 for a default in complying with the provisions of that section.

135. Save as otherwise provided in this Act, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the auditor's report at a charge not exceeding six annas for every hundred words or fractional part thereof.

Right of member of company to copies of the balance-sheet and the auditor's report.

company shall be entitled to be furnished with copies of the balance-sheet and the auditor's report at a charge not exceeding six annas for every hundred words or fractional part thereof.

Statement to be published by Banking and certain other Companies.

136 (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit ⁶¹ (a).

(2) A copy of the statement shall be displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

⁶¹ When a balance-sheet complies with the provisions of section 74 (s. 134 of the present Act) the fact that there are other irregularities quite unconnected with the requirements of the Act does not prevent the registrar from registering it.

(Advocate General's opinion No. 127, dated 31st July 1912.)

⁶¹ (a) Form G, see page 322.

VI of 1912.
V of 1912.

(5) This section shall not apply to a life assurance company or provident insurance society to which the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912, as the case may be, as to the annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions.

Investigation by the Registrar.

137 (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Act, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

Power of registrar
to call for informa-
tion or explanation.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.

(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Local Government.⁶²

62 The Advocate General gave the following opinion on this section in respect of the registrar's right to call for a copy of a special report by the auditors, not annexed to but referred to, in the auditor's certificate on the balance-sheet :—

“With regard to the point under section 137 the registrar is entitled to call for such information or explanation as he may specify in his order, and it would be open to him to specify the information or explanation afforded by the auditor's separate report and he is entitled presumably to satisfy himself that the information or explanation supplied is that contained in the auditor's separate

Inspection and Audit.

138. The Local Government may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Local Government may direct,—
Investigation of affairs of company by inspectors.

- (i) in the case of a banking company having a share capital, on the application of members holding not less than one-fifth of the shares issued;
- (ii) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued;
- (iii) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members;
- (iv) in the case of any company, on a report by the registrar under section 137, sub-section (5).

139. An application by members of a company under section 138 shall be supported by such evidence as the Local Government may require for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motives in, requiring the investigation; and the Local Government may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.
Application for inspection to be supported by evidence.

140. (1) It shall be the duty of all persons who are or have been officers of the company to produce to the inspectors all books and documents in their custody or power relating to the company.
Inspection of books and examination of officers.

(2) An inspector may examine on oath any such person in relation to its business, and may administer an oath accordingly.

(3) If any person refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

report by inspection, should he think it necessary, of the original signed separate report. In practice I take it the registrar would accept a copy signed by the appropriate officer of the company. On receiving the information or explanation he would in my opinion be entitled to annex it, i.e., the information or explanation (but not, unless he thinks fit, the whole or any part of the documents containing the information or explanation) to the original copy balance-sheet submitted to him."

(Advocate General's opinion No. 79 of 1916, dated 17th November 1916.)

141. (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Local Government, and a copy of the report shall be forwarded by the Local Government to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

(2) The report shall be written or printed, as the Local Government directs.

(3) All expenses of, and incidental to, the investigation shall be defrayed by the applicants unless the Local Government directs the same to be paid by the company, which the Local Government is hereby authorised to do.⁶² (a)

142. (1) A company may by special resolution appoint inspectors to investigate its affairs.

(2) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Local Government, except that, instead of reporting to the Local Government, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) All persons who are or have been officers of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question as they would have incurred if the inspectors had been appointed by the Local Government.

62 (a) On completion of the investigation of the affairs of the Igatpuri Railway Co-operative Society Government ordered the Company to pay the honorarium of Rs. 150 to the Inspector under section 141 of the Act. The Company had then practically ceased to carry on business, but had sufficient assets to meet the charge.

Government directed the Registrar to recover the amount. He requested the Collector to recover the same. The Collector showed his inability to do the same. The Sub-Judge was then approached. The Sub-Judge asked for opinion of Law officers as he could not, in the absence of decree of any Court, take judicial advice, etc.

The Remembrancer of Legal Affairs gave his opinion in his No. 2551, dated 4th November 1919, as follows :—

“The amount is a definite sum which Government under section 141 (3) of Act VII of 1913 has ordered the Company to pay. The Company or any person in possession of the company assets is bound to pay that sum. It could be argued that the condition that claimants to a share of the assets held by the Court must be decree holders applies to applicants under section 73 (1) of the Civil Procedure Code, but where application is made under section 73 (3) in respect of a debt payment of which the Local Government is authorised to order and has ordered, these facts are sufficient to justify the Subordinate Judge in paying over the debt due to Government in preference to other claims. The words of section 73 (3) are very comprehensive and do not restrict the right of Government to rights as decree holder.”

The sum was then paid over by the Sub-Judge to the Registrar. (Government Order No. 429, Revenue Department, dated 11th February 1920.)

143. A copy of the report of any inspectors appointed under this Act, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Report of inspectors to be evidence. 62(b) 144. (1) No person shall be appointed or act as an auditor of any company other than a private company unless he holds a certificate from the Local Government entitling him to act as an auditor of companies.⁶³

Provided that the Governor General in Council may, by notification in the Gazette of India, declare that the members of any institution or association specified in such notification shall be entitled to be appointed and to act as auditors of companies throughout British India.⁶⁴

(2) The Local Government shall, by notification in the local official Gazette, make rules providing for the grant of certificates entitling the holders thereof to act as auditors of companies, and may by such rules provide the conditions and restrictions on and subject to which such certificate shall be granted. The holder of

62 (b) Amendment by Act XIX of 1930 which shall come in force on such date as the Governor General in Council may by notification in the *Gazette of India* appoint. For revised Section 144, see pages 446 to 447 *post*.

63 A nursing institution which was registered under section 26 of the Act tendered to the Registrar a balance-sheet which, *inter alia*, was not audited by an auditor qualified under section 144. The Registrar refused to accept it and the institution appealed to Government for relief.

Government replied that there was no provision authorising the Local Government to allow the accounts to be audited by a person not qualified under section 144. Government suggested that the license granted under section 26 might on the institution's application be cancelled, whereupon the institution might seek registration under the Societies Registration Act, 1860, which does not insist on qualified auditors being appointed.

(G. O., R. D., No. 7554, dated 2nd August 1916.)

64 The members of the following institutions and associations are entitled to be appointed and to act as auditors of companies throughout British India :—

- (1) The Institute of Chartered Accountants of England and Wales;
- (2) The Society of Incorporated Accountants and Auditors;
- (3) The Society of Accountants in Edinburgh;
- (4) The Institute of Accountants and Actuaries in Glasgow;
- (5) The Society of Accountants in Aberdeen;
- (6) The Institute of Chartered Accountants in Ireland.

(Government of India Notification No. 1626-6, dated 14th March 1914; G. R., R. D., No. 3370, dated 9th April 1914.)

N.B.—Members of Nos. (1), (3), (4), (5) and (6) are known as "Chartered Accountants" and members of No. (2) "Incorporated Accountants."

such a certificate shall be entitled to act as an auditor of companies throughout British India unless such certificate restricts or limits the exercise of the right.⁶⁵

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Local Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.⁶⁶

(5) The following persons; that is to say,—

(i) a director or officer of the company; and

(ii) a partner of such director or officer; and

(iii) in the case of a company other than a private company, any person in the employment of such director or officer,

shall not be appointed auditors of the company.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting :

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

65 See *infra* The Bombay Auditors Certificates Rules, etc., pages 432 to 438.

66 On a proposal being made to delegate to the Commissioner in Sind the powers of a Local Government under section 144 (4) the Local Government decided that in view of the new questions that arise and the fact that the Registrar is the expert adviser of Government in Company matters, the delegation suggested should not be recommended to the Government of India at present.

(G. O., R. D., No. 7657, dated 4th August 1916.)

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.

(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance-sheet laid before the company in general meeting during their tenure of office, and the report shall state—

- (a) whether or not they have obtained all the information and explanations they have required; and
- (b) whether, in their opinion, the balance-sheet referred to in the report is drawn up in conformity with the law; and
- (c) whether such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

(3) In the case of a banking company, if the company has branch banks beyond the limits of India, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in British India.⁶⁷

⁶⁷ A banking company having several branches in India is not compelled to have its branch accounts audited. The accounts of such branches are incorporated in the accounts of the head office and under section 145 (1), in the case of branches in India, the auditor is empowered to inspect all the company's books, accounts, etc., and call for any further information he requires concerning the transactions of branches to enable him to pass the general balance-sheet.

[Letter from Government of India, Department of Commerce and Industry (Companies), No. 14978-62, dated 23rd December 1914; G. R. R. D., No. 367, dated 12th January 1915.]

146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Act.

Carrying on business with less than the legal minimum of members.

147. If at any time the number of members of a company is reduced, in the case of a private company, below two, or in the case of any other company, below seven and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognisant of the fact that it is carrying on business with fewer than two members or seven members, as the case may be, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same without joinder in the suit of any other member.

Service and Authentication of Documents.

148. A document may be served on a company by leaving it at, or sending it by post to, the registered office of the company.

149. A document may be served on the registrar by sending it to him by post, or delivering it to him, or by leaving it for him at his office.

150. A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorised officer of the company, and need not be under its common seal.

Tables, Forms and Rules as to prescribed matters.

151. (1) The forms in the Third Schedule or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

(2) The Governor General in Council may alter any of the tables and forms in the First Schedule, so that he does not increase the amount of fees payable to the registrar in the said Schedule mentioned, and may alter or add to the forms in the Third Schedule.

(3) Any such table or form, when altered, shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act, but no alteration made by the Governor General in Council in Table A in the First Schedule shall affect any company registered before the alteration or repeal as respects that company, any portion of that table.

(4) In addition to the powers hereinbefore conferred by this section, the Governor General in Council may make rules providing for all or any matters which by this Act are to be prescribed by his authority.⁶³

(5) Every such rule shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act.

Arbitration and Compromise.

152. (1) A company may by written agreement refer to arbitration, in accordance with the Indian Arbitration Act, 1899, an existing or future difference between itself and any other company or person. IX of 1899

Power for companies to refer matters to arbitration.

(2) Companies, parties to the arbitration, may delegate to the arbitrator power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by their directors or other managing body.

(3) The provisions of the Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations between companies and persons in pursuance of this Act. IX of 1899

153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

Power to compromise with creditors and members.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy

⁶³ See the Indian Companies Rules, 1914, pages 323 to 354.

at the meeting agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors or on all the members or class of members, as the case may be, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) In this section the expression "company" means any company liable to be wound up under this Act.

Conversion of private company into public company.

154. (1) A private company may, subject to anything contained in its memorandum or articles, by a special resolution and by filing with the registrar a copy of such resolution and also such a statement in lieu of prospectus^{68(a)} as the company, if a public company would have had to file before allotting any of its shares or debentures, together with such a duly verified declaration as the company, if a public company, would have had to file before commencing business, turn itself into a public company.

(2) Upon the filing of the documents mentioned in sub-section (1), the registrar shall record the change in his books relating to the company.

PART V.

WINDING UP. ⁶⁹ and ⁷⁰.

Preliminary.

Mode of winding up. 155. (1) The winding up of a company may be either—

- (i) by the Court; or
- (ii) voluntary; or
- (iii) subject to the supervision of the Court.

(2) The provisions of this Act with respect to winding up apply, unless the contrary appears, to the winding up of a company in any of these modes.

68 (a)—For forms of statement in lieu of prospectus and verified declaration referred to in Sections 98 and 103, see Schedule II (pages 303 to 305) and form V, page 360, respectively.

69 See Rules Nos. 673 to 752 and Forms Nos. 11 to 72 High Court Rules.

70 The authority to prescribe forms under Part V of the Act is the High Court and not the Government of India.

(G. R., R. D., No. 12511 of 15th December 1914 embodying a letter from the Government of India, Department of Commerce and Industry (Companies), No. 12860-57 dated 18th November 1914.)

Contributories.

156. (1) In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say) :—

- (i) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up;
- (ii) a past member shall not be liable to contribute in respect of any debt or liability of the company contracted after he ceased to be a member;
- (iii) a past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Act;
- (iv) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount (if any) unpaid on the shares in respect to which he is liable as a present or past member;
- (v) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up;
- (vi) nothing in this Act shall invalidate any provision contained in any policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract;
- (vii) a sum due to any member of a company in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company payable to that member in a case of competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustments of the rights of the contributories among themselves.

(2) In the winding-up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

157. In the winding up of a limited company any director whether past or present, whose liability is, in pursuance of this Act, unlimited, shall, in addition to his liability (if any) to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of the winding up a member of an unlimited company :

Liability of directors whose liability is unlimited.

Provided that—

- (i) a past director shall not be liable to make such further contribution if he has ceased to hold office for a year or upwards before the commencement of the winding up :
- (ii) a past director shall not be liable to make such further contribution in respect of any debt or liability of the company contracted after he ceased to hold office ;
- (iii) subject to the articles a director shall not be liable to make such further contribution unless the Court deems it necessary to require that contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up.

158. The term “contributory” means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory.

Meaning of “contributory.”

159. (1) The liability of a contributory shall create a debt accruing due from him at the time when his liability commenced, but payable at the times when calls are made for enforcing the liability.

Nature of liability of contributory.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes sitting outside the Presidency-towns.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and his heirs shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether moveable or immovable, or both, and of compelling payment there but of the money due.

161. If a contributory is adjudged insolvent either before or after he has been placed on the list of contributories, then—

(1) his assignees shall represent him for all the purposes of the winding up, and shall be contributories accordingly, and may be called on to admit to proof against the estate of the insolvent, or otherwise to allow to be paid out of his assets in due course of law, any money due from the insolvent in respect of his liability to contribute to the assets of the company; and

(2) there may be proved against the estate of the insolvent the estimated value of his liability to future calls as well as calls already made.

Winding up by Court.

162. A company may be wound up by the Court—

- (i) if the company has by special resolution resolved that company be wound up by the Court :
- (ii) if default is made in filing the statutory report or in holding the statutory meeting :
- (iii) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year :
- (iv) if the number of members is reduced, in the case of a private company, below two, or, in the case of any other company, below seven ;
- (v) if the company is unable to pay its debts :
- (vi) if the Court is of opinion that it is just and equitable that the company should be wound up.

Company when
deemed unable to pay
its debts.

163. A company shall be deemed to be unable to pay its debts—

- (i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by leaving the same at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor; or
- (ii) if execution or other process issued on a decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part; or
- (iii) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

164. Where the High Court makes an order for winding up a company under this Act, it may, if it thinks fit, direct all subsequent proceedings to be had in a District Court; and thereupon such District Court shall, for the purpose of winding up the company, be deemed to be "the Court" within the meaning of this Act, and shall have, for the purposes of such winding up, all the jurisdiction and powers of the High Court.

Winding up may be referred to District Court.

165. If during the progress of a winding up in a District Court it is made to appear to the High Court that the same could be more conveniently prosecuted in any other District Court having jurisdiction to wind up companies, the High Court may transfer the same to such other Court, and thereupon the winding up shall proceed in such other District Court.

Transfer of winding up from one District Court to another.

166. An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), contributory or contributories, or by all or any of those parties, together or separately :

Provisions as to applications for winding up.

Provided that—

(a) a contributory shall not be entitled to present a petition for winding up a company unless—

(i) either the number of members is reduced, in the case of a private company, below two, or, in the case of any other company, below seven; or

(ii) the shares in respect of which he is a contributory or some of them either were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months before the commencement of the winding up, or have devolved on him through the death of a former holder;

(b) a petition for winding up a company on the ground of default in filing the statutory report or in holding the statutory meeting shall not be presented by any person except a share-holder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held;

(c) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a *prima facie* case for winding up has been established to the satisfaction of the Court.

167. An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory.

Effect of winding up order.

168. A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up.

Commencement of winding up by Court.

169. The Court may, at any time after the presentation of the petition for winding up a company under this Act, and before making an order for winding up the company, upon the application of the company or of any creditor or contributory of the company, restrain further proceedings in any suit or proceeding against the company, upon such terms as the Court thinks fit.

Court may grant injunction.

170. (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

Powers of Court on hearing petition.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

171. When a winding up order has been made, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

Suits stayed on winding up order.

172. (1) On the making of a winding up order, it shall be the duty of the company forthwith to file with the registrar a copy of the order, and the petitioner in the winding up proceedings may so file a copy.

Copy of winding up order to be filed with registrar.

(2) On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the local official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

173. The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

Power of Court to stay winding up.

174. The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors or contributories.

Official Liquidators.

175. (1) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a person or persons, to be called an official liquidator or official liquidators.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up.

(3) If more persons than one are appointed to the office of official liquidator, the Court shall declare whether any act by this Act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

Resignations, removals, filling up vacancies and compensation. 176. (1) Any official liquidator may resign or be removed by the Court on due cause shown.

(2) Any vacancy in the office of an official liquidator appointed by the Court shall be filled up by the Court.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and if more liquidators than one are appointed, such remuneration shall be distributed amongst them in such proportions as the Court directs.

177. The official liquidator shall be described by the style of the official liquidator of the particular company in respect of which he is appointed, and not by his individual name.

Custody of Company's property. 178. (1) The official liquidator shall take into his custody, or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled.

(2) If no official liquidator is appointed, or during any vacancy in such appointment, all the property of the company shall be deemed to be in the custody of the Court.

179. The official liquidator shall have power, with the sanction of the Court, to do the following things :—

Powers
of official
liquidator.

- (a) to institute or defend any suit or prosecution, or other legal proceeding, civil or criminal, in the name and on behalf of the company;
- (b) to carry on the business of the company so far as may be necessary for the beneficial winding up of the same;
- (c) to sell the immoveable and moveable property of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;
- (d) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal;
- (e) to prove rank and claim in the insolvency of any contributory, for any balance against his estate, and to receive dividends in the insolvency, in respect of that balance, as a separate debt due from the insolvent, and rateably with the other separate creditors;
- (f) to draw, accept, make and indorse any bill of exchange, hundi or promissory note in the name and on behalf of the company with the same effect with respect to the liability of the company as if the bill, hundi or note had been drawn, accepted, made or endorsed by or on behalf of the company in the course of its business;
- (g) to raise on the security of the assets of the company any money requisite;
- (h) to take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the company; and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself; Provided that nothing herein empowered shall be deemed to affect the rights, duties and privileges of any Administrator General;
- (i) to do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.⁷¹

⁷¹ See Rule 725 High Court Rules

180. The Court may provide by any order that the official liquidator may exercise any of the above powers without the sanction or intervention of the Court, and, where an official liquidator is provisionally appointed, may limit and restrict his powers by the order appointing him.

181. The official liquidator may, with the sanction of the Court, appoint an advocate, attorney or pleader entitled to appear before the Court to assist him in the performance of his duties; Provided that, where the official liquidator is an attorney, he shall not appoint his partner, unless the latter consents to act without remuneration.

182. The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

182. (1) Subject to the provisions of this Act the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting.

(2) The official liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Act, the official liquidator shall use his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or decision complained of, and make such order as it thinks just in the circumstances.⁷²

⁷² See Rules Nos. 720 and 726, High Court Rules, pages 355 to 431.

Ordinary Powers of Court.

184. (1) As soon as may be after making a winding up order, the Court shall settle a list of contributories, with power to rectify the register of members in all cases where rectification is required in pursuance of this Act, and shall cause the assets of the Company to be collected and applied in discharge of its liabilities.

(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of or liable for the debts of others.

185. The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, surrender or transfer forthwith, or within such time as the Court directs, to the official liquidator any money, property or documents in his hands to which the company is *prima facie* entitled.

186. (1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Act.

(2) The Court in making such an order may, in the case of an unlimited company, allow to the contributory by way of set-off any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and may, in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance:

Provided that, in the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

187. (1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being

settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the Bank of Bengal, the Bank of Madras, or the Bank of Bombay, as the case may be, or any branch thereof, respectively, to the account of the official liquidator instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

Power to order payment into bank.

189. All moneys, bills, hundis, notes and other securities paid and delivered into the Bank of Bengal, the Bank of Madras, or the Bank of Bombay, or any branch thereof, respectively, in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.

Regulation of account with Court.

190. (1) An order made by the Court on a contributory shall (subject to any right of appeal) be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

Order on contributory conclusive evidence.

(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.

191. The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.

Power to exclude creditors not proving in time.

192. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

Adjustment of rights of contributories.

193. The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.

Power to order costs.

194. (1) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

Dissolution of company.

(2) The order shall be reported within fifteen days of the making thereof by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company.

(3) If the official liquidator makes defaults in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which he is in default.

Extraordinary Powers of Court.

195. (1) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs or property of the company.

Power to summon persons suspected of having property of company.

(2) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3) The Court may require him to produce any documents in his custody or power relating to the company; but, where he claims any lien on documents produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it), the Court may cause him to be apprehended and brought before the Court for examination.

196. (1) When an order has been made for winding up a company by the Court, and the official liquidator has applied to the Court stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the application, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, manager or other officer of the company, shall attend before the Court on a day appointed by the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.

Power to order public examination of promoters, directors, etc.

(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.

(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.

(4) The Court may put such questions to the person examined as the Court thinks fit.

(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

(6) A person ordered to be examined under this section may at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

(7) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him in civil proceedings, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(8) The Court may, if it thinks fit, adjourn the examination from time to time.

(9) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any District Judge or before any officer of the High Court, being an official referee, master, registrar or deputy registrar, and the powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held.

197. The Court, at any time either before or after making a winding up order on proof of probable cause for believing that a contributory is about to quit British India or otherwise to abscond, or to remove or conceal any of his property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and moveable property to be seized, and him and them to be safely kept until such time as the Court may order.

198. Any powers by this Act conferred on the Court shall be in addition to, and not in restriction of, any existing powers of instituting proceedings against any contributory or debtor of the com-

pany, or the estate of any contributory or debtor, for the recovery of any call or other sums.

Enforcement of and Appeal from Orders.

199. All orders made by a Court under this Act may be enforced in the same manner in which decrees of such Court made in any suit pending therein may be enforced.

Power to enforce orders.

200. Any order made by a Court for or in the course of the winding up of a company shall be enforced in any place in British India other than that in which such Court is situate, by the Court that would have had jurisdiction in respect of such company if the registered office of the company had been situate at such other place, and in the same manner in all respects as if such order had been made by the Court that is hereby required to enforce the same.

Order made in any Court to be enforced by other Courts.

201. Where any order made by one Court is to be enforced by another Court, a certified copy of the order so made shall be produced to the proper officer of the Court required to enforce the same, and the production of such certified copy shall be sufficient evidence of such order having been made; and thereupon the last-mentioned Court shall take the requisite steps in the matter for enforcing the order, in the same manner as if it were the order of the Court enforcing the same.

Mode of dealing with orders to be enforced by other Courts.

202. Re-hearings of, and appeals from, any order or decision made or given in the matter of the winding up of a company by the Court may be had in the same manner and subject to the same conditions in and subject to which appeals may be had from any order or decision of the same Court in cases within its ordinary jurisdiction.

Appeals from orders.

Voluntary winding up.

203. A company may be wound up voluntarily—

Circumstances in which company may be wound up voluntarily.

- (1) when the period (if any) fixed for the duration of the company by the articles expires, or the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;
- (2) if the company resolves by special resolution that the company be wound up voluntarily;

- (3) if the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up.

204. A voluntary winding up shall be deemed to commence
Commencement of at the time of the passing of the resolution
voluntary winding up. authorising the winding up.

205. When a company is wound up voluntarily, the company
Effect of voluntary shall, from the commencement of the winding
winding up on status up, cease to carry on its business, except so
of company. far as may be required for the beneficial
winding up thereof:

Provided that the corporate state and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

206. (1) Notice of any special resolution or extraordinary re-
Notice of resolution solution for winding up a company voluntarily
to wind up volun- shall be given by the company within ten
tarily. days of the passing of the same by advertise-
ment in the local official Gazette, and also in some newspaper (if any) circulating in the district where the registered office of the company is situate.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a like penalty.

Consequences of 207. The following consequences shall en-
voluntarily winding sue on the voluntary winding up of a com-
ap. pany:—

- (i) the assets of the company shall be applied in satisfaction of its liabilities *pari passu* and, subject thereto, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company;
- (ii) the company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them;
- (iii) on the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof;
- (iv) the liquidator may, without the sanction of the Court exercise all powers by this Act given to the official liquidator in a winding up by the Court;

- (v) the liquidator may exercise the powers of the Court under this Act of settling a list of contributories, and of making calls, and shall pay the debts of the company, and adjust the rights of the contributories among themselves;
- (vi) the list of contributories shall be *prima facie* evidence of the liability of the persons named therein to be contributories;
- (vii) when several liquidators are appointed, every power hereby given may be exercised by such one or more of them as may be determined by the company at the time of their appointment, or in default of such determination by any number not less than two;
- (viii) if from any cause whatever there is no liquidator acting, the Court may, on the application of a contributory, appoint a liquidator; and
- (ix) the Court may, on cause shown, remove a liquidator, and appoint another liquidator.⁷³

208. (1) The liquidator in a voluntary winding up shall, within twenty-one days after his appointment, file with the registrar a notice of his appointment in the form prescribed.⁷⁴

Notice by liquidator of his appointment.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

209. (1) Every liquidator appointed by a company in a voluntary winding up shall, within seven days from his appointment, send notice by post to all persons who appear to him to be creditors of the company that a meeting of the creditors of the company will be held on a date, not being less than twenty-one days nor more than one month after his appointment, and at a place and hour, to be specified in the notice, and shall also advertise notice of the meeting once in the local official Gazette and once at least in some newspaper (if any) circulating in the district where the registered office or principal place of business of the company was situate.

(2) At the meeting to be held in pursuance of the foregoing provisions of this section the creditors shall determine whether an application shall be made to the Court for the appointment of any person as liquidator in the place of, or jointly with, the liquidator appointed by the company, and, if the creditors so resolve, an application may be made accordingly to the Court at any time not later than fourteen days after the date of the meeting, by any creditor appointed for the purpose at the meeting :

⁷³ See Rule No. 726, High Court Rules.

⁷⁴ See Rule No. 741, High Court Rules.

Provided that the Court may, by order at any time, extend the time for making an application under this sub-section for such period as the Court thinks proper.

(3) On any such application the Court may make an order either for the removal of the liquidator appointed by the company and for the appointment of some other person as liquidator or for the appointment of some other person to act as liquidator jointly with the liquidator appointed by the company, or such other order as, having regard to the interests of the creditors and contributories of the company, may seem just.

(4) The Court shall make such order as to the costs of the application as it may think fit, and, if it is of opinion that having regard to the interests of the creditors in the liquidation, there were reasonable grounds for the application, may order the costs of the application to be paid out of the assets of the company, notwithstanding that the application is dismissed or otherwise disposed of adversely to the applicant.

210. (1) If a vacancy occurs by death, resignation or otherwise in the office of liquidator appointed by the company in a voluntary winding up, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy.

Power to fill vacancy in office of liquidator.

(2) For that purpose a general meeting may be called by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner prescribed by the articles, or in such manner as may, on application by any contributory or by the continuing liquidators, be determined by the Court.

211. (1) A company about to be, or in course of being, wound up voluntarily may, by extraordinary resolution, delegate to its creditors, or to any committee of them, the power of appointing liquidators or any of them, and of supplying vacancies among the liquidators, or enter into any arrangement with respect to the powers to be exercised by the liquidators, and the manner in which they are to be exercised.

Delegation of authority to appoint liquidators.

(2) Any act done by creditors in pursuance of any such delegated power shall have the same effect as if it had been done by the company.

212. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up voluntarily and its creditors shall, subject to any right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

Arrangement when binding on creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.⁷⁵

213. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company (in this section called the transferee company) the liquidator of the first-mentioned company (in this section called the transferor company) may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies or other like interest, or in addition thereto, participate in the profits of, or receive any other benefit from, the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution at either of the meetings held for passing and confirming the same expresses his dissent therefrom in writing addressed to the liquidator, and left at the registered office of the company within seven days after the confirmation of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect, or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereinafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase-money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for winding up the company, or for appointing liquidators; but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

214. (1) The price to be paid for the purchase of the interest of any dissentient member may be determined by agreement. If the parties dispute about the same, such dispute shall be settled by arbitration.

Mode of determining price.

(2) The provisions of the Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section. IX of 1899.

215. (1) Where a company is being wound up voluntarily, the liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up, or to exercise as respects the enforcing of calls, or any other matters, all or any of the powers which the Court might exercise if the company were being wound up by the Court.⁷⁶

(2) The Court, if satisfied that the determination of the question or the required exercise of power will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as the Court thinks fit, or may make such other order on the application as the Court thinks just.

216. (1) Where a company is being wound up voluntarily, the liquidator may, from time to time, summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution, or for any other purposes he may think fit.

(2) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up, and of each succeeding year, or as soon thereafter as may be convenient, and shall lay before the meeting a statement in the prescribed form containing the prescribed particulars with respect to the proceedings in and the position of the liquidation.⁷⁷ and 7 .

217. (1) In the case of every voluntary winding up, as soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of; and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement, specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in section 206.

(3) Within one week after the meeting, the liquidator shall file with the registrar a return of the holding of the meeting, and of its date, and in default of so doing, shall be liable to a fine

⁷⁶ See Rule No. 726, High Court Rules.

⁷⁷ See Rule No. 743, High Court Rules.

⁷⁸ See Forms Nos. 71 and 72, High Court Rules.

not exceeding fifty rupees for every day during which the default continues.

(4) The registrar on the filing of the return shall forthwith register it, and, on the expiration of three months from the registration of the return, the company shall be deemed to be dissolved :

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under sub-section (4) is made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

218. All costs, charges and expenses properly incurred in the voluntary winding up of a company, including the remuneration of the liquidator, shall be payable out of the assets of the company in priority to all other claims at the date of the winding up.

Cost of voluntary liquidation.

219. The voluntary winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, if the Court is of opinion, in the case of an application by a creditor, that the rights of the creditor, or, in the case of an application by a contributory, that the rights of the contributories will be prejudiced by a voluntary winding up.

Saving for rights of creditors and contributories.

220. Where a company is being wound up voluntarily, and an order is made for winding up by the Court, the Court may if it thinks fit, by the same or any subsequent order, provide for the adoption all or any of the proceedings in the voluntary winding up.

Power of Court to adopt proceedings of voluntary winding up.

Winding up subject to supervision of Court.

221. When a company has by special or extraordinary resolution resolved to wind up voluntarily, the Court may make an order that the voluntary winding up shall continue, but subject to such supervision of the Court, and with such liberty for creditors, contributories or others to apply to the Court, and generally on such terms and conditions as the Court thinks just.

Power to order winding up subject to supervision.

222. A petition for the continuance of a voluntary winding up subject to the supervision of the Court shall, for the purpose of giving jurisdiction to the Court over suits, be deemed to be a petition for winding up by the Court.

223. The Court may, in deciding between a winding up by the Court and a winding up subject to supervision, in the appointment of liquidators, and in all other matters relating to the winding up subject to supervision, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

224. (1) Where an order is made for a winding up subject to supervision, the Court may by the same or any subsequent order appoint any additional liquidators.

(2) A liquidator appointed by the Court under this section shall have the same powers, be subject to the same obligations, and in all respects stand in the same position as if he had been appointed by the Company.

(3) The Court may remove any liquidator so appointed by the Court or any liquidator continued under the supervision order, and fill any vacancy occasioned by the removal or by death or resignation.

225. (1) Where an order is made for a winding up subject to supervision, the liquidator may, subject to any restrictions imposed by the Court, exercise all his powers, without the sanction or intervention of the Court, in the same manner as if the company were being wound up altogether voluntarily.

(2) Except as provided in sub-section (1), and save for the purposes of section 196, any order made by the Court for a winding up subject to the supervision of the Court shall for all purposes, including the staying of suits and other proceedings, be deemed to be an order of the Court for winding up the company by the Court, and shall confer full authority on the Court to make calls, or to enforce calls made by the liquidators, and to exercise all other powers which it might have exercised if an order had been made for winding up the company altogether by the Court.

(3) In the construction of the provisions whereby the Court is empowered to direct any act or think to be done to or in favour of the official liquidator, the expression "official liquidator" shall be deemed to mean the liquidator conducting the winding up subject to the supervision of the Court.

226. Where an order has been made for the winding up of a company subject to supervision, and an order is afterwards made for winding up by the Court, the Court may, by the last mentioned order or by any subsequent order, appoint the

Appointment in certain cases of voluntary liquidators to office of official liquidators.

voluntary liquidators or any of them, either provisionally or permanently, and either with or without the addition of any other person, to be official liquidator in the winding up by the Court.

Supplemental Provisions.

227. (1) In the case of voluntary winding up, every transfer of shares, except transfers made to or with the sanction of the liquidator, and every alteration in the status of the members of the company made after the commencement of the winding up shall be void.

Avoidance of transfers, etc., after commencement of winding up.

(2) In the case of a winding up by or subject to the supervision of the Court, every disposition of the property (including actionable claims) of the company, and every transfer of shares, or alteration in the status of its members, made after the commencement of the winding up shall, unless the Court otherwise orders, be void.

228. In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Act of the law of insolvency) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such debts or claims as may be subject to any contingency or for some other reason do not bear a certain value.

Debts of all descriptions to be proved.

229. In the winding up of an insolvent company the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the time being under the law of insolvency with respect to the estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

Application of insolvency rules in winding up of insolvent companies.

230. (1) In a winding up there shall be paid in priority to all other debts—

Preferential payments.

(a) all revenue, taxes, cesses and rates, whether payable to the Crown or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

- (b) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant; and
- (c) all wages of any labourer or workman, not exceeding five hundred rupees for each whether payable for time or piece-work, in respect of services rendered to the company within the two months next before the said date—

(2) The foregoing debts shall—

- (a) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and
- (b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof:

Provided that in respect of any money paid under any such charge the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinbefore in this section referred to is,—

- (a) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order; and
- (b) in any other case, the date of the commencement of the winding up.

231. (1) Any transfer, delivery of goods, payment, execution of a contract, or other act relating to property which would, if made or done by or against an individual, be deemed in his insolvency a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2) For the purposes of this section the presentation of a petition for winding up in the case of a winding up by or subject to the supervision of the Court, and a resolution for winding up in the case of a voluntary winding up, shall be deemed to correspond with the act of insolvency in the case of an individual.

(3) Any transfer or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void.

232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects of the company after the commencement of the winding up shall be void.

Avoidance of certain attachments, executions, etc.

(2) Nothing in this section applies to proceedings by the Government.

233. Where a company is being wound up a floating charge on the undertaking or property of the company created within three months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the rate of five per cent. per annum.

Effect of floating charge.

234. (1) The liquidator may, with the sanction of the Court when the company is being wound up by the Court or subject to the supervision of the Court, and with the sanction of an extraordinary resolution of the company in the case of a voluntary winding up, do the following things or any of them :—

General scheme of liquidation may be sanctioned.

(i) pay any classes of creditors in full;

(ii) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim, present or future, whereby the company may be rendered liable;

(iii) compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent subsisting or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company, has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory, examine into the conduct of the promoter, director, manager, liquidator or officer, and compel him to repay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

(3) The Indian Limitation Act, 1908, shall apply to an application under this section as if such application were a suit. IX of 1908.

236. If any director, manager, officer or contributory of any company being wound up destroys, mutilates, alters or falsifies or fraudulently secretes any books, papers or securities, or makes, or is privy to the making of, any false or fraudulent entry in any register book of account or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

237. (1) If it appears to the Court, in the course of a winding up by or subject to the supervision of the Court, that any past or present director, manager, officer or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the Court may, on the application of any person interested in the winding up, or of its own motion, direct the official liquidator or the liquidator (as the case may be) to prosecute for the offence, and may order the costs and expenses to be paid out of the assets of the company.

(2) If it appears to the liquidator, in the course of a voluntary winding up, that any past or present director, manager, officer or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the

liquidator, with the previous sanction of the Court, may prosecute the offender, and all expenses properly incurred by him in the prosecution shall be payable out of the assets of the company in priority to all other liabilities.⁷⁹

238. If any person, upon any examination upon oath authorised under this Act, or in any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Act, or otherwise in or about any matter arising under this Act, intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

239. (1) Where by this Act the Court is authorised in relation to winding up to have regard to the wishes of creditors or contributories, as proved to it by any sufficient evidence, the Court may, if it thinks fit for the purpose of ascertaining those wishes, direct meetings of the creditors or contributories to be called, held and conducted in such manner as the Court directs, and may appoint a person to act as chairman of any such meeting and to report the result thereof to the Court.

(2) In the case of creditors, regard shall be had to the value of each creditor's debt.

(3) In the case of contributories, regard shall be had to the number of votes conferred on each contributory by the articles.⁸⁰

240. Where any company is being wound up, all documents of the company and of the liquidators shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

241. After an order for a winding up by or subject to the supervision of the Court, the Court may make such order for inspection by creditors and contributories of the company of its documents as the Court thinks just, and any documents in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.

242. (1) When a company has been wound up and is about to be dissolved, the documents of the company and of the liquidators may be disposed of as follows (that is to say):—

(a) in the case of a winding up by or subject to the supervision of the Court, in such way as the Court directs;

⁷⁹ See Rule No. 726, High Court Rules.

⁸⁰ See Rules Nos. 720 and 721, High Court Rules.

- (b) in the case of a voluntary winding up, in such way as the company by extraordinary resolution directs.

(2) After three years from the dissolution of the company, no responsibility shall rest on the company, or the liquidators, or any person to whom the custody of the documents has been committed by reason of the same not being forthcoming to any person claiming to be interested therein.

243. (1) Where a company has been dissolved, the Court may, at any time within two years of the date of the dissolution, on an application being made for the purpose by the liquidator of the company or by any other person who appears to the Court to be interested, make an order, upon such terms as the Court thinks fit, declaring the dissolution to have been void, and thereupon such proceedings may be taken as might have been taken if the company had not been dissolved.

(2) It shall be the duty of the person on whose application the order was made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

244. (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, at such intervals as may be prescribed, until the winding up is concluded, file with the registrar a statement in the prescribed form and containing the prescribed particulars with respect to the proceedings in and position of the liquidation.^{80a}

(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times, on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract therefrom; but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the Indian Penal Code, XLV of 1860, and shall be punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

245. (1) Any affidavit required to be sworn under the provisions or for the purposes of this Part may be sworn in British India, or elsewhere within the dominions of His Majesty, before any Court or person before whom affidavit may be sworn.

80 (a) See rule 742 of the High Court Rules, page 375 'infra'.

Court, Judge or person lawfully authorised to take and receive affidavits, or in any part of India other than British India before any Court authorised or continued by the Governor General in Council, or in any place outside His Majesty's dominions before any of His Majesty's Consuls or Vice-Consuls.

(2) All Courts, Judges, Justices, Commissioners and persons acting judicially in British India shall take judicial notice of the seal or stamp or signature (as the case may be) of any such Court, Judge, person, Consul or Vice-Consul, attached, appended or subscribed to any such affidavit, or to any other document to be used for the purposes of this Part.⁸¹

Rules.

246. (1) The High Court may, from time to time, make rules consistent with this Act and with the Code of Civil Procedure, 1908, concerning the mode of proceedings to be had for winding up a company in such Court and in the Courts subordinate thereto, and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the sub-division of the shares of a company, and shall make rules providing for all matters relating to the winding up of companies which, by this Act, are to be prescribed.⁸²

V of 1908. Power of High Court to make Rules.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Act, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say the powers and duties of the Court in respect of—

- (a) holding and conducting meetings to ascertain the wishes of creditors and contributories;
- (b) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;
- (c) requiring delivery of property or documents to the liquidator;
- (d) making calls;
- (e) fixing a time within which debts and claims must be proved :

⁸¹ Where a company cannot be wound up by one of the modes provided in the Act, proceedings can be taken in a Court of Law.

(Solicitor to Government's opinion No. 1009, dated 26th September 1899.)

⁸² The words "and shall make, etc.", have been inserted by Act XI of 1915.

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any calls without the special leave of the Court.⁸³

Removal of defunct Companies from Register.

247. (1) Where the registrar has reasonable cause to believe that a company is not carrying on business or in operation, he shall send to the company, by post a letter inquiring whether the company is carrying on business or in operation.

Registrar may strike defunct company off register.

(2) If the registrar does not within one month of sending the letter receive any answer thereto, he shall within fourteen days after the expiration of the month send to the company by post a registered letter referring to the first letter, and stating that no answer thereto has been received and that, if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the local official Gazette with a view to striking the name of the company off the register.

(3) If the registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer, he may publish in the local official Gazette, and send to the company by post a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(4) If, in any case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months after notice by the registrar demanding the returns has been sent by post to the company, or to the liquidator at his last known place of business, the registrar may publish in the local official Gazette and send to the company a like notice as is provided in the last preceding subsection.

(5) At the expiration of the time mentioned in the notice the registrar may, unless cause to the contrary is previously shown by the company, strike its name off the register, and shall publish

⁸³ The High Court Rules under this section were passed by the Chief Justice and Judges of His Majesty's High Court of Judicature at Bombay in January 1930 and came into force on 1st April 1930. (For Rules see pages 355 to 431 *infra*.)

The authority to prescribe forms is the High Court and not the Government of India. (See Note 70, page 214 at commencement of Part V of the Act, *supra*.)

notice thereof in the local official Gazette, and, on the publication in the local official Gazette of this notice, the company shall be dissolved: Provided that the liability (if any) of every director and member of the company shall continue and may be enforced as if the company had not been dissolved.

(6) If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register, the Court, on the application of the company or member or creditor, may, if satisfied that the company was at the time of the striking off carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the name of the company to be restored to the register, and thereupon the company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.^{83a}

(7) A letter or notice under this section may be addressed to the company at its registered office, or, if no office has been registered, to the care of some director, manager or other officer of the company, or if there is no director, manager or other officer of the company whose name and address are known to the registrar, may be sent to each of the persons who subscribed the memorandum, addressed to him at the address mentioned in the memorandum.

PART VI.

REGISTRATION OFFICE AND FEES.

248. (1) For the purposes of the registration of companies under this Act, there shall be offices at such places as the Local Government thinks fit, and no company shall be registered except at an office within the province in which, by the memorandum, the registered office of the company is declared to be established.

(2) The Local Government may appoint such registrars and assistant registrars as it thinks necessary for the registration of companies under this Act, and may make regulations with respect to their duties.

(3) The salaries of the persons appointed under this section shall be fixed by the Local Government.

⁸³ (a) If the company is struck off through failure to make returns the company must be one of the petitioners for restoration in order to give an undertaking to make returns (in *re* Walter Wright Ltd. W. N., 28th April 1923, page 128).

(4) The Local Government may direct a seal or seals to be prepared for the authentication of documents required for or connected with the registration of companies.

(5) Any person may inspect the documents kept by the registrar on payment of such fees as may be appointed by the Local Government not exceeding one rupee for each inspection; and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the registrar on payment for the certificate, certified copy or extract, of such fees as the Local Government may appoint, not exceeding three rupees for a certificate of incorporation, and not exceeding six annas for every hundred words or fractional part thereof required to be copied.

(6) Whenever any act is by this Act directed to be done to or by the registrar, it shall, until the Local Government otherwise directs, be done to or by the existing registrar of joint-stock companies or in his absence to or by such person as the Local Government may for the time being authorise; but, in the event of the Local Government altering the constitution of the existing registry offices or any of them, any such act shall be done to or by such officer and at such place with reference to the local situation of the registered offices of the companies to be registered as the Local Government may appoint. 84 to 97 inclusive.

84 In exercise of the powers conferred by sub-section (2) section 248 of the Indian Companies Act, 1913 (VII of 1913), and in supersession of Government Notification in the Revenue Department, dated 21st November 1866, the Governor in Council was pleased to make the following regulations with respect to the duties of the Registrar and Assistant Registrars of Companies in the Bombay Presidency, namely:—

- (1) The officer appointed by the Local Government for the registration of companies under section 248 (2) of the Indian Companies Act, 1913, hereinafter referred to as "the Act," as Registrar shall be known as "The Registrar of Companies" and any officer appointed by the Local Government under the said section as Assistant Registrar shall be known as "the Assistant Registrar of Companies".

In these regulations the abovenamed officers are referred as "the Registrar" and "the Assistant Registrar" respectively.

The officers hitherto known as Assistant Registrars of Joint Stock Companies appointed for certain duties outside the town of Bombay shall hereafter be known as "Assistant Registrars of Companies".

- (2) The office of the Registrar shall be at Bombay and shall be open for business (Sundays and authorised holidays excepted) between the hours of 11 A.M. and 4 P.M. except on Saturdays, when it shall be open between the hours of 11 A.M. and 2 P.M.
- (3) The Registrar shall permit members of the public to take inspection of such registers, records or documents as under the Act they are entitled to inspect, provided that, before such permission is granted, such inspection fees shall have been paid as are prescribed. But he shall not permit any member of the public to make or cause to be made any copy of any document, and he shall permit only such details to be copied by any member of the public as may, in his opinion, be so copied without objection.

Note 84—*contd.*

- (4) The Registrar shall, on the application of a member of the public, grant such copies as by the Act may be granted, on the previous payment of the fees prescribed therefor.
- (5) The Registrar shall in respect of every payment made to him grant a receipt under his hand specifying in such receipt the document or documents in respect of which the fee is paid.
- (6) The Registrar shall not file, register or record any document or fact in respect of which a fee is legally payable, until the said fee has been received and shall, pending the receipt of such fee, act in the same way as if no such document had been tendered for filing, registration or record.
- (7) The Registrar shall institute such enquiries or make such investigations with any person, firm or company and in respect of any matter as may, in his opinion, be necessary for the proper performance of his duties and the administration of the Act.
- (8) The Registrar shall, for proceedings in respect to acts of default under the Act, instituted outside the town of Bombay, be entitled to the assistance of the appropriate public prosecutor: and in respect of such proceedings instituted in the town of Bombay he shall be entitled to the assistance of the Solicitor to Government. (G. R., R. D., No. 8345, dated 14th August 1918): *B. G. G.*, Part I, page 1599 of 1918.

85 The fees for the inspection and for copies of documents kept by the Registrar of Companies should be fixed at the maximum rates allowed under the sub-section, *viz.* :—

	Rs.	a.
(i) for each inspection	1	0
(ii) for a certificate of incorporation	3	0
(iii) for a certified copy or extract of any other document	0	6
	per 100 words or a fraction thereof to be copied, <i>vide</i> para- graph 5.	

For fees for copies of certificates other than certificates of incorporation and altered certificates of incorporation see note 115 (n) page 302 *infra*.

(G. O., R. D., No. 7598, dated 22nd July 1913: *B. G. G.*, Part I, page 1464 of 1913.

86 It is the duty of the Registrar of Joint Stock Companies to prosecute for defaults on the part of Companies and individuals in furnishing to him certain returns, documents and notices which the law requires them to furnish, but in any such case he should act in communication with the Government Solicitor. (G. R., J. D., No. 1375, dated 27th April 1866.)

87 In exercise of the powers conferred by sub-section (2) of section 248 of the Indian Companies Act, 1913 (VII of 1913) and in supersession of Government Notification in the Revenue Department No. 7804, dated the 27th October 1897, the Governor in Council is pleased to appoint the Sub-Registrars appointed under the Indian Registration Act, 1908 (XVI of 1908), specified in column 1 of the schedule hereto appended to be *ex-officio* Assistant Registrars of Companies for the purpose of prosecuting defaulting companies doing business within the districts mentioned against their respective designations in column 2 of the said schedule, the jurisdiction of such Assistant Registrars to extend respec-

Schedule.

Name of Sub-Registrar.	Name of District.
Joint Sub-Registrars for the City of Ahmedabad and North and South Daskroi Talukas	Ahmedabad District.
Sub-Registrar of Broach	Broach District.
Joint Sub-Registrar of Surat	Surat District.
Sub-Registrar of Godhra	Panch Mahals District.
Joint Sub-Registrar of Haveli (Poona)	Poona District.
Sub-Registrar of Dharwar	Dharwar District.
Do. Karachi	Karachi District.
Do. Mehmabad	Kaira District.
Do. Ratnagiri	Ratnagiri District.
Do. Ahmednagar	Ahmednagar District.
Do. Dhulia	West Khandesh District.
Do. Jalgaon	East Khandesh District.
Do. Nasik	Nasik District.
Joint Sub-Registrar of Satara	Satara District.
Do. Sholapur	Sholapur District.
Sub-Registrar of Belgaum	Belgaum District.
Do. Bijapur	Bijapur District.
Do. Hyderabad (Sind)	Hyderabad District.
Do. Sukkur	Sukkur District.
Do. Aden	Aden District.

(G. N. No. 3070, R. D., dated 25th March 1919: B. G. G., Pt. I, page 808, of 1919.)

88 All companies or prospective companies in the Presidency have to make applications to file and register documents with and transmit all communications to the Registrar of Companies, Bombay, there being no Assistant Registrars appointed to deal with any such matters.

89 The authority to call upon the services of the law officers of the Crown without the intervention of Government conferred on the Registrar of Companies by regulation No. 8 (*vide* Note 84 *supra*) extends only to the particular class of cases referred to, *viz.*, the institution of proceedings in respect to acts of default under the Indian Companies Act. But in other matters, *e.g.*, in obtaining advices on legal points, it is for the Registrar to consult the law officers through Government or the Collector as the case may be, in conformity with Nos. 18, 31 and 61 of the rules for the conduct of the legal affairs of Government.

(G. R., R. D., No. 8345, dated 14th August 1918.)

90 In accordance with the Resolution of the Government of India, Finance Department, No. 957-A., dated 12th October 1914, the heads of accounts "XXI and 26, Scientific and Other Minor Departments" were sub-divided into "XXI-A and 26-A—Agriculture" and "XXI-B and 26-B—Scientific and Miscellaneous Departments", and the transactions in connection with the Office of the Registrar of Companies now have to be recorded under XXVI and 37-Miscellaneous Departments Central *vide* Account Code.

(G. R., R. D., No. 11042, dated 13th November 1914.)

91 The Registrar is no longer a member of the Registration Department and is not subject to the control of the Inspector General of Registration. The Registrar was declared to be countersigning and controlling authority in cases of travelling allowances and countersigned contingent charges of his office.

(G. R., R. D., No. 8866, dated 19th August 1915.)

Note 91—*contd.*

The subject "Trading Companies and other similar Associations" will be dealt with in the Finance Department (*vide* Govt. M. R. D., No. 806D—28, dated 14th March 1929).

92 By G. R., R. D., No. 13484 of the 17th December 1915, the Governor in Council directed that the Registrar of Companies should be recognised as a Head of a Department. (See also G. R., R. D., No. 2023 of 21st February 1916.)

93 Fees for inspection and copies should be fixed at the maximum rates allowed by clause 5 of section 248 of Act VII of 1913.

(G. O., R. D., No. 7598, dated 22nd July 1913.)

94 *The Annual Report and other reports by the Registrar.*

(1) It is the duty of the Registrar to prepare the annual administration report on the working of the Indian Companies Act. (G. L., R. A. and C., No. 13, dated 23rd December 1878; *vide* G. R., R. D., No. 50, dated 6th January 1879.)

(2) It should be submitted to Government by the 1st June at the latest, and should reach the Director of Statistics within three months of the end of the year that is to say, not later than the 1st July.

The Companies should be classified as follows in the report :—

I.—Banking Loan and Insurance—

(a) Banking and Loan—

(i) Banking.

(ii) Loan.

(iii) Investment and Trust.

(iv) Nidhis and Chit Association. (Madras only.)

(b) Insurance—

(i) Life, Fire and Marine Insurance.

(ii) Provident Insurance.

(iii) Others.

II.—Transit and Transport—

(a) Navigation.

(b) Railways and Tramways.

(c) Motor-Traction, dealing and manufacturing.

(d) Docks, Harbours, Shipping, Landing and Warehousing

(e) Others.

III.—Trading and Manufacturing—

(a) *Mutual Trading* Associations.

(b) Printing, Publishing and Stationery.

(c) Chemicals and Allied Trades.

(d) Iron, Steel and Shipbuilding.

(e) Engineering.

(f) Tanneries and Leather Trade.

(g) Canvas and India Rubber Trades.

(h) Public Service Companies :—

Gas, Water, Electric Light Power, and Telephone.

(i) Clay, Stone (*Cement Lime* and other building and constructing materials).

(j) Glass.

(k) Ice and Aerated Waters.

(l) Agencies (including Managing Agent Companies).

(m) Tea box and Cabinet Manufacturing.

Note 94—*contd.*

- (n) Tobacco (Cigars, etc.).
- (o) Soap, Candles, etc.
- (p) Brass and Copperware.
- (q) Aluminium Ware.
- (r) Match.
- (s) Others.

IV.—Mills and Presses.

- (a) Cotton Mills.
- (b) Cotton Ginning, Pressing, Baling, etc.
- (c) Jute Mills.
- (d) Jute Presses, etc.
- (e) Mills for Wool, Silk, Hemp, etc.
- (f) Paper Mills.
- (g) Rice Mills.
- (h) Flour Mills.
- (i) Saw and Timber Mills.
- (j) Oil Mills.
- (k) Other Mills and Presses.

V.—Tea and Other Planting Companies—

- (a) Tea
- (b) Coffee and Chinchona.
- (c) Rubber.
- (d) Others.

VI.—Mining and Quarrying—

- (a) Coal.
- (b) Gold.
- (c) Iron Ore.
- (d) Stone and Marble Quarries.
- (e) Manganese.
- (f) Mica.
- (g) Petroleum
- (h) Others.

VII.—Estate, Land and Building.

VIII.—Breweries and Distilleries.

IX.—Sugar (including Jaggery) Manufacture.

X.—Hotels, Theatres, Entertainments.

XI.—Companies other than those specified above.

(G. of I., No. 7658, Dept. of Com., dated 1st November 1920 and Bombay Government Order No. C-944, Revenue Department, dated 1st December 1920.)

(3) In preparing the list care should be taken to separate companies that have gone into liquidation, or are winding up, or have dissolved during the year under report, from companies that are working. But companies that have gone into liquidation and registered themselves afresh merely in satisfaction of a required formality, without ceasing work, should not be removed from the list of working companies; a foot-note in the list should indicate the nature of the operation effected. Where a transaction at the Registrar's office is merely formal, and does not touch the sum of the capital, the paid-up capital last declared should be entered in the report and statements.

Note 94—*contd.*

(4) Companies that have wound up finally before the year under report should be omitted altogether. Increases and decreases of capital should be particularly noticed, and the causes explained.

(5) Companies limited by guarantee, that is possessing no paid up capital, should be entered in a separate list. Literary, scientific and charitable societies registered under Act XXI of 1860 need not be noticed in the report on Joint Stock Companies.

(6) The statistical information to be given with the reports should be furnished in the forms annexed. As reports must be based on these statements, it is evident that the tables should be framed with absolute accuracy.

STATEMENT No. I.

Abstract of Joint Stock Companies.

Abstract.	Companies divided into shares.			Companies limited by guarantee, i.e., possessing no capital.	
	Number of Companies.	Capital.			Number of mem- bers.
		Autho- rised.	Sub- scribed.	Paid up.	
Working at the close of 19 -19 .					
Registered during the year 19 -19 .					
Capital increased during the year 19 - 19 .					
Capital decreased during the year 19 - 19 .					
Ceased to work during the year 19 - 19 .					
Working at the close of 19 -19 .					

Dated

Registrar of Companies.

Indian Companies.

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STATEMENT NO. II.

Note 94—contd.

List of New Companies Registered during the year 193 .

Date of registration.	Classification and Name of the Company.	Object of the Company.	Capital.			Situation of office.
			Authorized.	Subscribed.	Paid up.	
	I.—BANKING, LOAN AND INSURANCE—					
	(a) Banking and Loan—					
	(i) Banking (Insert names of Companies*).					
	Total of I (a) (i)					
	(ii) Loan (Insert names of Companies).					
	Total of I (a) (ii) Loan					
	(iii) Investment and Trust (Insert names of Companies*).					
	Total of I (a) (iii) Investment and Trust					
	(iv) Nidhis and Chit Association† (Insert names of Companies).					
	Total of I (a) (iv)					
	Total of I (a) Banking and Loan					
	(b) Insurance—					
	(i) Life, Fire and Marine. (Names of Companies*)					
	Total of I (b) (i)					
	(ii) Provident Insurance— (Names of Companies*)					
	Total of I (b) (ii)					

*Insert name of company and give total of each sub-head and major head as is shown under I—Banking, Loan and Insurance.
†Applies to Madras only.

Note 94—*contd.*

Date of registration.	Classification and name of the Company.	Object of the Company.	Capital.			Situation of office.
			Authorized.	Subscribed.	Paid up.	
	I.—BANKING LOAN AND INSURANCE— <i>contd.</i>					
	(b) Insurance— <i>contd.</i>					
	(iii) Others—					
	(Names of Companies*) .					
	Total of I (b) (iii) .					
	Total of I (b) .					
	Total of I.—Banking, Loan and Insurance.					
	II.—TRANSIT AND TRANSPORT—					
	(a) Navigation—					
	(Names of Companies*) .					
	Total of II (a) .					
	(b) Railways and Tramways—					
	(Names of Companies*) .					
	Total of II (b) .					

*Insert names of company and give total of each sub-head and major head as is shown under I.—Banking, Loan and Insurance.

Note 94—*conid.*

Date of registration.	Classification and name of the Company.	Object of the Company.	Capital.			Situation of office.
			Authorized.	Subscribed.	Paid up.	
	II.—TRANSIT AND TRANSPORT— <i>contd.</i>					
	(c) Motor-Traction, Dealing and Manufacturing— (Names of Companies*)					
	Total of II (c) .					
	(d) Docks, Harbours, Shipping, Landing and Warehousing— (Names of Companies*) .					
	Total of II (d) .					
	(e) Others— (Names of Companies*) .					
	Total of II (e) .					
	Total of II.—Transit and Transport.					

*Insert names of company and give total of each sub-head and major head as is shown under I.—Banking, Loan and Insurance.

Note 94—*contd.*

Date of registration.	Classification and Name of the Company.	Object of the Company.	Capital.			Situation of office.
			Authorised.	Subscribed.	Paid up.	
	III.—TRADING—					
	(a) Mutual Trading ..					
	(Names of Companies*) ..					
	Total of III (a) ..					
	(b) Printing, Publishing and Stationery ..					
	(Names of Companies*) ..					
	Total of III (b) ..					
	(c) Chemical and Allied Trades ..					
	(Names of Companies*) [†] ..					
	Total of III (c) ..					
	(d) Iron, Steel and Ship-building† ..					
	(e) Engineering ..					
	(f) Tanneries and Leather trades.					
	(g) Canvas and India Rubber Trades ..					
	(h) Public Service Companies					
	(i) Clay, stone, etc. ..					
	(j) Glass ..					
	(k) Ice and Aerated Waters					
	(For other sub-heads and major heads see N 94 (2) pp. 248 and 249 <i>supra</i> .)					

* Insert name of company and give total of each sub-head and major head as is shown under I—Banking, Loan and Insurance.

† Details and totals are to be given in each case as shown under I and II.

Note 94—*contd.*

STATEMENT No. III.

Companies limited by Guarantee registered during the year 193 -193 .

Date of Regis- tration.	Classification and Name of the Company.	Object.	Number of Members.	Situation of Registered office.
	[Details to be given as in Statement No. II.]			

Dated

Registrar of Companies.

STATEMENT No. IV.

Joint Stock Companies that have increased their Capital during the year 193 -193 :

Date of Registration.	Classification and Name of the Company.	Date of increase.	Previous Capital.			Present Capital.			Difference.	
			Capital.			Capital.			Capital.	
			Autho- rized.	Sub- scribed.	Paid up.	Autho- rized.	Sub- scribed.	Paid up.	Autho- rized.	Sub- scribed. Paid up.
	[Details to be given as in Statement No. II.]									

Dated :

Registrar of Companies.

STATEMENT No. VI.

Note 94—*contd.*

Joint Stock Companies that having ceased to work, have gone into Liquidation or have been finally dissolved (or otherwise become defunct) during the year 1932-1933.

Date of Registration.	Classification and Name of the Company.	Capital.			Date of going into Liquidation.	Date of Final Dissolution.
		Authorized.	Subscribed.	Paid up.		
	[Details to be given as in Statement No. II.]					

Dated

Registrar of Companies.

STATEMENT No. VII.

Note 94—*contd.*

Joint Stock Companies limited by Guarantee that having ceased to work, have gone into Liquidation or have been finally dissolved (or otherwise become defunct) during the year 193 -193 .

Date of Registration.	Classification and name of the Company.	Number of Members.	Date of going into Liquidation.	Date of Final Dissolution.
	[Details to be given as in Statement No. II.]			

Dated

Registrar of Companies.

Indian Companies.

STATEMENT No. VIII.

Note 94—*contd.**List of Joint Stock Companies at work on 31st March 193 .*

Number of Companies.	Classification of Companies.	Capital.		
		Authorized.	Subscribed.	Paid up.
	[Details to be given as in Statement No. II.]			

Dated

Registrar of Companies.

STATEMENT No. IX.

Note 94—*contd.*

List of Companies limited by Guarantee at work on 31st March 193 .

Number of Companies.	Classification of Companies.	Number of Members.
	[Details to be given as in Statement No. II.]	

Dated

Registrar of Companies.

Note 94—contd.

STATEMENT No. X.

Statement of Fees realised during the year 193 -193 .

			Rs.	a.	p.
Fees realised under the Indian Companies Act
Do. do. Indian Life Assurance Companies Act
Do. do. Provident Insurance Societies Act
Do. do. Societies Registration Act

Dated

Registrar of Companies.

(G. of I. Nos. 271-S., dated 30th November 1892, *S. 2458—2471-C., dated 6th June 1905, and 2846—2587—106, dated 15th April 1910; G. R. R. D., Nos. 438, dated 16th January 1893, 4357 of 23rd June 1899, 6533, dated 15th August 1905, 1478, dated 14th February 1906, 4022, dated 3rd May 1910, 11967, dated 2nd December 1914.)

(7) The body of the report should be as brief as possible, noticing only matters of special interest which are not brought out in the statistical tables appended to it.

(8) In preparing the statistical tables the following remarks should be borne in mind :—

(i) When a table is blank, the entire form for it need not be printed; it will suffice to print the heading of the table and the word 'Nil' under it.

(ii) When no statistical information is given against any of the detailed heads of classification in a table, such head or heads should not be enumerated.

(iii) All tables should be printed length-ways and not across the page.

(9) In *Return No. VIII* (List of Joint Stock Companies at work at the end of the year under report) only the total number with the aggregate nominal and paid up capital, of each class of company need be shown hereafter, the names and particulars of individual Companies being omitted.

Similarly, in *Return No. IX* (List of Companies limited by guarantee) all details of particular Companies can be dispensed with. It will suffice to group the Companies in classes according to the objects for which they were framed, and to show the total number of each class.

(10) *Return No. X* (Statement of fees) should show only the total amount of fees collected during the year of report. The specification of Companies is unnecessary. (G. of I., F. and C., No. 1735 S. R., dated 30th March 1901; G. R., R. D., No. 2704, dated 25th April 1901.)

(11) Companies like the Viramgam Vepar Uttejakk Ginning Company, Limited, whose declared object is that of ginning and pressing cotton, should be placed under "Mills and Presses" instead of under "Trading Companies". (G. of I., F. and C., No. 314 S., dated 30th November 1886; G. R., R. D., No. 8679, dated 9th December 1886.)

*(15) The Registrar of Companies is to send particulars of new Companies registered (in Forms II and III) and those of Companies in liquidation in Forms VI and VII to the Director of Statistics monthly. (*Vide* his letters Nos. 155, dated 29th January 1902, and 4882, dated 3rd August 1921.) The former is included in Government Resolution, Revenue Department, No. 1121, dated 18th February 1902, while the latter was received direct. The monthly return should be sent on or before the 7th of the month following that to which it relates. (Government Resolution, Revenue Department, No. 5568, dated 11th May 1918).

*94 (12) to 94 (14) has been struck off as the half yearly statement is not required to be submitted to the Director of Statistics (*vide* letter No. ., dated ., from the Director of Statistics).

Note 94—*concl'd.*

(16) Complete lists of the companies in each province should be furnished annually to the Director of Statistics. It will be sufficient if they are sent in manuscript. So far as the publication of the All-India Volume relating to Joint Stock Companies in British India and Mysore is concerned the two detailed statements namely :

- (1) for Companies incorporated in India, and
- (2) for Companies incorporated outside India, which are at present sent in manuscript by the Registrar to the Director of Statistics, are sufficient, provided that the latter statement also distinguishes between public and private companies.

With regard to the provincial report the Government of India are of opinion that the publication of a separate statement relating to private Companies as was directed in their letter dated the 8th June 1920 will make the report more complete and self-contained and thus increase its utility. (Government Order No. C-428, Revenue Department, dated the 1st December 1920.)

(17) The Registrar of Companies should include statistics regarding private companies separately in his annual report on the working of the Indian Companies Act, 1913. (G. of I. Dept. of C. and I., No. 11063, dated 11th November 1916. (G. O., R. D., No. 12375, dated 15th December 1916.)

(G. R., R. D., No. 1121, dated 18th February 1902; G. R., R. D., No. 11967, dated 2nd December 1914; G. M., R. D., No. 5568, dated 11th May 1918.) A separate statement of private companies (a) incorporated in British India, (b) incorporated outside British India should be attached to the report specifying the objects, capital, and date of registration of each Company at work at the end of the year (in form given below). The tables prescribed for report in Finance and Commerce Department Circular No. 271-S., dated 30th November 1892 should continue to be prepared as was the practice previous to the issue of this Department letter dated 11th November 1916, that is to say without any distinction between private and public Companies. (Government of India, No. 2835, Department of Commerce, dated 8th June 1920; Government Order No. C-428, Revenue Department, dated 16th June 1920.)

Private Joint Stock Companies at work on the 31st March 19

No. on the register.	Date of registration.	Classification and name of Company.	Object of Company.	Capital.			Situation of registered office.
				Authorised.	Subscribed.	Paid up.	
1	2	3	4	5	6	7	8

95 The Registrar of Joint Stock Companies, Bombay, is authorised to destroy the papers of Companies of which, or of whose liquidators, nothing has been known for seven years and of whom ordinary inquiry can find no trace. (G. I., F. & C., No. 1759-S. R., dated 8th April 1901; *vide* G. R., R. D., No. 2838, dated 29th idem.)

249. (1) There shall be paid to the registrar in respect of the several matters mentioned in Table B in the First Schedule the several fees therein specified, or such smaller fees as the Governor General in Council may direct.⁹⁸

(2) All fees paid to the registrar in pursuance of this Act shall be accounted for to the Crown.

PART VII.

APPLICATION OF ACT TO COMPANIES FORMED AND REGISTERED UNDER FORMER COMPANIES ACTS.

250. In the application of this Act to existing companies, it shall apply in the same manner in the case of a limited company, other than a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by shares; in the case of a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by guarantee; and in the case of a company other than a limited company, as if the company had been formed and registered under this Act as an unlimited company:

Application of Act to companies formed under former Companies Acts.

Provided that—

(1) nothing in Table A in the First Schedule shall apply to a company formed and registered under Act XIX of 1857 and Act VII of 1860, or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882;

(2) reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under Act No. XIX of 1857 and Act No. VII of 1860, or either of them, or

X of 1866.
VI of 1882.

⁹⁶ The Registrar should strike off his registers the names of any companies of which nothing has been heard for seven years. (G. R., R. D., No. 2713, dated 24th April 1903.)

⁹⁷ Papers of Companies that have become defunct or have been dissolved should be destroyed after 5 years. (G. R., R. D., No 4711, dated 20th July 1898.)

⁹⁸ For smaller fees directed by the Government of India, *vide* note 109 at page 300 *infra* Table B, First Schedule to the Act.

For the purpose of exchange adoption of the rate of Rs. 10 for the conversion of sterling transactions into rupees and *vice versa* is allowed in Government accounts and statistics (Government Order No. 270, F. D., dated 1st April 1920).

under the Indian Companies Act, 1866, or the ~~X~~ of 1866.
Indian Companies Act, 1882, as the case may be. VI of 1882.

251. This Act shall apply to every company registered but not formed under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, or under the Indian Companies Act, 1866, or the ~~X~~ of 1866. Indian Companies Act, 1882, in the same VI of 1882. manner as it is hereinafter in this Act declared to apply to companies registered but not formed under this Act :

Provided that reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the said Acts or any of them.

252. A company registered under Act XIX of 1857 and Act VII of 1860 or either of them may cause its shares to be transferred in the manner hitherto in use, or in such other manner as the company may direct.

PART VIII.

COMPANIES AUTHORISED TO REGISTER UNDER THIS ACT.

253. (1) With the exceptions and subject to the provisions of Companies capable mentioned and contained in this section,—
of being registered.

(i) any company consisting of seven or more members, which was, is existence on the first day of May eighteen hundred and eighty-two, including any company registered under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, and

(ii) any company formed after the date aforesaid, whether before or after the commencement of this Act, in pursuance of any Act of Parliament or Act of the Governor General in Council other than this Act, or of Letters Patent, or being otherwise duly constituted according to law, and consisting of seven or more members ;

may at any time register under this Act as an unlimited company or as a company limited by shares, or as a company limited by guarantee ; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up :

(2) Provided as follows :—

- (a) a company having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent, and not being a joint-stock company as hereinafter defined, shall not register in pursuance of this section ;
- (b) a company having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent shall not register in pursuance of this section as an unlimited company or as a company limited by guarantee ;
- (c) a company that is not a joint-stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares ;
- (d) a company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in cases where proxies are allowed by the articles) at a general meeting summoned for the purpose ;
- (e) where a company not having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent is about to register as a limited company, the majority required to assent as aforesaid shall consist of not less than three-fourths of the members present in person or by proxy at the meeting ;
- (f) where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a specified amount.

(3) In computing any majority under this section when a poll is demanded, regard shall be had to the number of votes to which each member is entitled according to the articles.

(4) A company registered under the Indian Companies Act, 1882, shall not be registered in pursuance of this section.

254. For the purposes of this Part as far as relates to registration of companies as companies limited by shares, a joint-stock company means a company having a permanent paid-up or nominal share capital of fixed amount divided into shares, also of fixed amount, or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having for its members the holders of those shares or that stock, and no other persons; and such a company, when registered with limited liability under this Act, shall be deemed to be a company limited by shares.

255. Before the registration in pursuance of this Part of a joint-stock company, there shall be delivered to the registrar the following documents (that is to say):—

Requirements for registration by joint-stock companies.

- (1) a list showing the names, addresses and occupations of all persons who on a day named in the list, not being more than six clear days before the day of registration, were members of the company, with the addition of the shares or stock held by them respectively, distinguishing, in cases where the shares are numbered, each share by its number;
- (2) a copy of any Act of Parliament, Act of the Governor General in Council, Royal Charter, Letters Patent, deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and
- (3) if the company is intended to be registered as a limited company, a statement specifying the following particulars (that is to say):—
 - (a) the nominal share capital of the company and the number of shares into which it is divided or the amount of stock of which it consists;
 - (b) the number of shares taken and the amount paid on each share;
 - (c) the name of the company, with the addition of the word "Limited" as the last word thereof; and
 - (d) in the case of a company intended to be registered as a company limited by guarantee, the resolution declaring the amount of the guarantee.

Requirements for registration by other than joint-stock companies.

256. Before the registration in pursuance of this Part of any company not being a joint-stock company, there shall be delivered to the registrar—

- (1) a list showing the names, addresses and occupations of the directors of the company; and

(2) a copy of any Act of Parliament, Act of the Governor General in Council, Letters Patent, deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) in the case of a company intended to be registered as a company limited by guarantee, a copy of the resolution declaring the amount of the guarantee.

257. The lists of members and directors and any other particulars relating to the company required to be delivered to the registrar shall be duly verified by a declaration of any two or more directors or other principal officers of the company.

Authentication of statement of existing companies.

258. The registrar may require such evidence as he thinks necessary for the purpose of satisfying himself whether any company proposing to be registered is or is not a joint-stock company as hereinbefore defined.

Registrar may require evidence as to nature of company.

259. (1) Where a banking company, which was in existence on the first day of May eighteen hundred and eighty-two, proposes to register as a limited company, it shall, at least thirty days before so registering, give notice of its intention so to register to every person who has a banking account with the company either by delivery of the notice to him, or by posting it to him at, or delivering it at, his last known address.

On registration of banking company with limited liability, notice to be given to customers.

(2) If the company omits to give the notice required by this section, then as between the company and the person for the time being interested in the account in respect of which the notice ought to have been given, and so far as respects the account down to the time at which notice is given, but not further or otherwise, the certificate of registration with limited liability shall have no operation.

260. No fees shall be charged in respect of the registration in pursuance of this Part of a company, if it is not registered as a limited company, or if before its registration as a limited company, the liability of the shareholders was limited by some Act of Parliament or Act of the Governor General in Council or by Letters Patent.

Exemption of certain companies from payment of fees.

261. When a company registers in pursuance of this Part with limited liability, the word "Limited" shall be added to name. form and be registered as part of its name.

98 (a) 262. On compliance with the requirements of this Part with respect to registration, and on payment of such fees, if any, as are payable under Table B in the First Schedule, the registrar shall certify under his hand that the company applying for registration is incorporated as a company under this Act, and in the case of a limited company that it is limited, and thereupon the company shall be incorporated, and shall have perpetual succession and a common seal.

263. All property, moveable and immoveable, including all interests and rights in, to and out of property, moveable and immoveable, and including obligations and actionable claims as may belong to or be vested in a company at the date of its registration in pursuance of this Part, shall, on registration, pass to and vest in the company as incorporated under this Act for all the estate and interest of the company therein.

264. The registration of a company in pursuance of this Part shall not affect the rights or liabilities of the company in respect of any debt or obligation incurred or any contract entered into, by, to, with, or on behalf of, the company before registration.

265. All suits and other legal proceedings which at the time of the registration of a company in pursuance of this Part are pending by or against the company, or the public officer or any member thereof, may be continued in the same manner as if the registration had not taken place; nevertheless execution shall not issue against the effects of any individual member of the company on any decree or order obtained in any such suit or proceeding; but,

98 (2) The certificate of incorporation given under section 236 of Act 1882 was to be conclusive that all the requisition in Part VII contained in respect of registration under that Act had been complied with and that the Company was authorised to be registered under that Act as a limited company. In spite of the repeal of the Act of 1882 the certificate continues to afford such conclusive evidence in view of section 6 (c) of the General Clauses Act and section 290 of the Act of 1913. Accordingly in view of section 251 of the Act of 1913, Part VIII of that Act applies to the Company. This means that all the provisions of the Act of 1913 apply to the Company. The Registrar cannot cancel registration and ask the company to satisfy the requirements of section 277 (*vide* Advocate General's opinion No. 3, dated 10th January 1918.)

in the event of the property and effects of the company being insufficient to satisfy the decree or order, an order may be obtained for winding up the company.

Effect of registration under Act.

266. When a company is registered in pursuance of this Part,—

- (i) all provisions contained in any Act of Parliament, Act of the Governor General in Council, deed of settlement, contract of co-partnery, Letters Patent, or other instrument constituting or regulating the company, including, in the case of a company registered as a company limited by guarantee, the resolution declaring the amount of the guarantee, shall be deemed to be conditions and regulations of the company in the same manner and with the same incidents as if so much thereof as would, if the company had been formed under this Act, have been required to be inserted in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles;
- (ii) all the provisions of this Act shall apply to the company and the members, contributories and creditors thereof, in the same manner in all respects as if it had been formed under this Act, subject as follows (that is to say) :—
 - (a) the regulations in Table A in the First Schedule shall not apply unless adopted by special resolution;
 - (b) the provisions of this Act relating to the numbering of shares shall not apply to any joint-stock company whose shares are not numbered;
 - (c) subject to the provisions of this section, the company shall not have power to alter any provision contained in any Act of Parliament or Act of the Governor General in Council relating to the company;
 - (d) subject to the provisions of this section, the company shall not have power, without the sanction of the Governor General in Council, to alter any provision contained in any Letters Patent relating to the company;
 - (e) the company shall not have power to alter any provision contained in a Royal Charter or Letters Patent with respect to the objects of the company;
 - (f) in the event of the company being wound up, every person shall be a contributory, in respect of the debts and liabilities of the company contracted before registration, who is liable to pay or contribute to the payment of any debt or liability of the

company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves in respect of any such debt or liability; or to pay or contribute to the payment of the costs and expenses of winding up the company, so far as relates to such debts or liabilities as aforesaid; and every contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability as aforesaid and in the event of the death or insolvency of any contributory, the provisions of this Act with respect to the legal representatives and heirs of deceased contributories, and with reference to the assignees of insolvent contributories, shall apply;

(iii) the provisions of this Act with respect to—

(a) the registration of an unlimited company as limited;

(b) the powers of an unlimited company on registration as a limited company to increase the nominal amount of its share capital and to provide that a portion of its share capital shall not be capable of being called up except in the event of winding up;

(c) the power of a limited company to determine that a portion of its share capital shall not be capable of being called up except in the event of winding up; shall apply notwithstanding any provisions contained in any Act of Parliament, Act of the Governor General in Council, Royal Charter, deed of settlement, contract of co-partnery, Letters Patent or other instrument constituting or regulating the company;

(iv) nothing in this section shall authorise the company to alter any such provisions contained in any deed of settlement, contract of co-partnery, Letters Patent or other instrument constituting or regulating the company, as would, if the company had originally been formed under this Act, have been required to be contained in the memorandum and are not authorised to be altered by this Act;

(v) nothing in this Act shall derogate from any lawful power of altering its constitution or regulations which may, by virtue of any Act of Parliament, Act of the Governor General in Council, deed of settlement, contract of co-partnery, Letters Patent or other instrument constituting or regulating the company, be vested in the company.

267. (1) Subject to the provisions of this section, a company registered in pursuance of this Part may by special resolution alter the form of its constitution by substituting a memorandum and articles for a deed of settlement.

Power to substitute memorandum and articles for deed of settlement.

(2) The provisions of this Act with respect to confirmation by the Court and registration of an alteration of the objects of a company shall, so far as applicable, apply to an alteration under this section with the following modifications :—

(a) there shall be substituted for the printed copy of the altered memorandum required to be filed with the registrar a printed copy of the substituted memorandum and articles; and,

(b) on the registration of the alteration being certified by the registrar, the substituted memorandum and articles shall apply to the company in the same manner as if it were a company registered under this Act with that memorandum and those articles, and the company's deed of settlement shall cease to apply to the company.

(3) An alteration under this section may be made either with or without any alteration of the objects of the company under this Act.

(4) In this section the expression "deed of settlement" includes any contract of co-partnery or other instrument constituting or regulating the company, not being an Act of Parliament, an Act of the Governor General in Council, a Royal Charter or Letters Patent.

268. The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of a company registered in pursuance of this Part, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Power of Court to stay or restrain proceedings.

269. Where an order has been made for winding up a company registered in pursuance of this Part, no suit or other legal proceeding shall be commenced or proceeded with against the company or any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

Suits stayed on winding up order.

PART IX.

WINDING UP OF UNREGISTERED COMPANIES.

270. For the purposes of this Part, the expression “unregistered company” shall not include a railway company incorporated by Act of Parliament or by an Act of the Governor General in Council, nor a company registered under the Indian Companies Act, 1866, or under any Act repealed thereby, or under the Indian Companies Act, 1882, or under this Act, but save as aforesaid, shall include any partnership, association or company consisting of more than seven members.

271. (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Act, and all the provisions of this Act with respect to winding up shall apply to an unregistered company, with the following exceptions and additions :—

- (i) an unregistered company shall, for the purpose of determining the Court having jurisdiction in the matter of the winding up, be deemed to be registered in the province where its principal place of business is situate or, if it has a principal place of business situate in more than one province, then in each province where it has a principal place of business; and the principal place of business situate in that province in which proceedings are being instituted shall, for all the purposes of the winding up, be deemed to be the registered office of the company;
- (ii) no unregistered company shall be wound up under this Act voluntarily or subject to supervision;
- (iii) the circumstances in which an unregistered company may be wound up are as follows (that is to say) :—
 - (a) if the company is dissolved, or has ceased to carry on business or is carrying on business only for the purpose of winding up its affairs;
 - (b) if the company is unable to pay its debts;
 - (c) if the Court is of opinion that it is just and equitable that the company should be wound up;
- (iv) an unregistered company shall, for the purposes of this Act, be deemed to be unable to pay its debts—
 - (a) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company by leaving at its principal place of business, or by delivering to the secretary,

or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor ;

- (b) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving the same at its principal place of business or by delivering it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or demand, or procured the suit or other legal proceeding to be stayed, or indemnified the defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same ;
- (c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person authorised to be sued as nominal defendant on behalf of the company, is returned unsatisfied ; and
- (d) if it is otherwise proved to the satisfaction of the Court that the company is unable to pay its debts.

(2) Nothing in this Part shall affect the operation of any enactment which provides for any partnership, association or company being wound up, or being wound up as a company or as an unregistered company, under any enactment repealed by this Act, except that references in any such first-mentioned enactment to any such repealed enactment shall be read as references to the corresponding provision (if any) of this Act.

272. (1) In the event of an unregistered company being wound up, every person shall be deemed to be a contributory who is liable to pay or contribute to the payment of any debt or liability of the company. ~~or~~ to pay or contribute to the payment of any

Contributories in
winding up of unregi-
stered companies.

sum for the adjustment of the rights of the members among themselves, or to pay or contribute to the payment of the costs and expenses of winding up the company, and every contributory shall be liable to contribute to the assets of the company all sums due from him in respect of any such liability as aforesaid.

(2) In the event of any contributory dying or being adjudged insolvent, the provisions of this Act with respect to the legal representatives and heirs of deceased contributories and to the assignees of insolvent contributories shall apply.

273. The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of an unregistered company, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

274. Where an order has been made for winding up an unregistered company, no suit or other legal proceeding shall be proceeded with or commenced against any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

275. If an unregistered company has no power to sue and be sued in a common name, or if for any reason it appears expedient, the Court may, by the winding up order, or by any subsequent order, direct that all or any part of the property, moveable or immoveable, including all interests and rights in, to and out of property, moveable and immoveable, and including obligations and actionable claims as may belong to the company or to trustees on its behalf, is to vest in the official liquidator by his official name, and thereupon the property or the part thereof specified in the order shall vest accordingly; and the official liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any suit or other legal proceeding relating to that property, or necessary to be brought or defended for the purposes of effectually winding up the company and recovering its property.

276. The provisions of this Part with respect to unregistered companies shall be in addition to, and not in restriction of, any provisions hereinbefore in this Act contained with respect to winding up companies by the Court, and the Court or official liquidator may exercise any powers or do any act in the case of unregistered companies which might be exercised or done by it or him in winding

up companies formed and registered under this Act; but an unregistered company shall not, except in the event of its being wound up, be deemed to be a company under this Act, and then only to the extent provided by this Part.

PART X.

COMPANIES ESTABLISHED OUTSIDE BRITISH INDIA.

277. (1) Every company incorporated outside British India, which at the commencement of this Act has a place of business in British India, and every such company which after the commencement of this Act establishes such a place of business within British India, shall, within six months from the commencement of this Act or within one month from the establishment of such place of business, as the case may be, file with the registrar in the province in which such place of business is situated,—

Requirements as to
companies established
outside British India.

- (a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;⁹⁹
- (b) the full address of the registered or principal office of the company;⁹⁹
- (c) a list of the directors and managers (if any) of the company;⁹⁹
- (d) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company service of process and any notices required to be served on the company;⁹⁹

and, in the event of any alteration being made in any such instrument or in such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall, within the prescribed time, file with the registrar a notice of the alteration.⁹⁹, 100 and 101.

⁹⁹ See Rules 7 to 12 and Forms XVI to XXIII, Indian Companies Rules, 1914.

¹⁰⁰ A question was raised as to whether the filing with the Registrar of one province only of documents under section 277 (1) by a Company incorporated out of British India and having places of business in several provinces in India was not sufficient, and the Remembrancer of Legal Affairs gave his opinion as follows :—

“It appears from the wording of section 277 of the Act that every company incorporated outside British India, which has a place of business in British India, is required to file the papers mentioned in sub-section (1) of section 277

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

with the Registrar of each province in British India in which the company has a place of residence. If the intention of the Legislature had been that the filing should be effected only with the Registrar of the province in which the company has its principal place of business, an addition to that effect would have been made in sub-section (1), as, in fact, it was made in sub-section (3) of the section."

(G. R., R. D., No. 6595, dated 16th July 1914.)

101 A question was raised as to the meaning of the words "place of business" and the opinion of the Remembrancer of Legal Affairs was obtained.

In the letter from the Registrar raising the question, three classes of companies were mentioned as follows:—

Class A. The representative says that the company has no place of business in the Presidency and that though he is an agent of the company here, he simply holds the samples of the goods of the company, canvasses for orders and sends indents on the company for which he gets a certain commission.

Class B. The representative says that though he is an agent of the company here, he only receives consignments from the company, which are sold by him on account of the company at the company's risk, for which he receives a certain fixed commission on the consignments.

Class C. The representative says that he indents for goods from the company on his own account and takes whatever profits he may get or suffers the loss, if any, incurred.

N.B.—In all three classes the company does not bear any cost of office rent or establishment, which is borne by the agent here.

The following is the opinion of the Remembrancer of Legal Affairs:—

"The phrase 'place of business' has been explained in section 274 (6) of the English Companies Act (8 Edw., VII, Chapter 69) in the same words as in section 277 (c) (b) of the Indian Act, but is not defined in either Act. The two decisions quoted by the Registrar, though not under the Companies Act, sufficiently explain the phrase and may be followed.

"2. In *Ballie vs. Goodwin and Company* (1886), 33 Chancery Division, page 604, the defendants were a firm of iron founders carrying on business at Motherwell and elsewhere in Scotland. The writ was served at the offices of G. N. Macphail in Bucklersbury on a clerk of his. On the evidence, North J. came to the conclusion that Macphail was carrying on a business of his own at No. 20, Bucklersbury; he was employed as the agent and not as the servant of the defendants. It was accordingly held, following the case of *Corbett vs. General Steam Navigation Company*, 4H. and N., page 482, that the defendants were not carrying on business at Bucklersbury.

"3. In *Corbett's* case, a company carrying on business in London employed in a country town a general commission agent who transacted the company's business in that town in an office for which the company paid him rent. The office was used solely for the company's business, the name of the company was not outside but there were on a board the words 'London Steam Wharf' which clearly referred to the defendants' business. The question was whether the company carried on business in that town. Chief J. Baron Pollock said: 'The question is whether the business was done by Messrs. Parker for the defendants in the character of servants or of agents. There is evidence to show that Messrs. Parker were not the servants of the defendants but their agents only.'

"4. In *Grant vs. Anderson and Company* (1892), 1 Q. B. D. page 108, the defendants were a firm of manufacturers carrying on business in Glasgow. They employed an agent in London to procure orders for them on commission. For that purpose he occupied an office in London, the rent of which he paid himself and at which he kept samples of the defendants' goods. His duty was to receive

(3) Every company to which this section applies shall in every year file with the registrar of the province in which the company has its principal place of business—

- (i) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company is required to file with the public authority an annual balance-sheet,—a copy of that balance-sheet : or⁹⁹, ¹⁰²
- (ii) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated,—such a statement in the form of a balance-sheet as such company would,

and transmit orders to the defendants at Glasgow. It was held by the Court of Appeal that the defendants did not carry on business in London within the jurisdiction of the Court.

"5. The following extracts from the judgment of their Lordships illustrate the distinction between 'carrying on business' and 'having a place of business.' Thus Wright J. observes: 'The only other question to be decided is whether the office in Milk Street was the place of business of the defendants * * *, and I agree with my Lord that it was not, even though the defendants may in one sense be said to have carried on business there. There may be many places in which a person or firm may be said to carry on business or exercise a trade for the purposes of income tax or otherwise, and yet which it would be an abuse of language to say were the places of business of that person or firm (pages 114—15 *ibid*). Similarly Lord Esher M. R. observes: 'I agree with the view taken by the Divisional Court that this office is not the office of the defendants but of McCallum only. Consequently the defendants have no place of business in London. * * * Then do the defendants carry on business in London? The only thing done for them in London is the obtaining of orders by McCallum. Is that carrying on business in London? It is doing an act which goes towards carrying on business. But we must deal with the expression 'carry on business' as used in the rules in the ordinary business sense' (pages 116—17 *ibid*).

"6. The expression 'place of business' in section 277 of the Indian Companies Act should in my opinion be interpreted in the light of the above cases. In the first place, a company must be carrying on business in British India; next it must have or must establish an office or other fixed place where business is carried on. The expression 'place of business' is narrower in sphere than 'carrying on business' and should be dealt with, in the words of Lord Esher M. R., 'in the ordinary business sense'. The question whether a company has or has not a place of business would thus turn on the facts of each case.

"7. Thus in classes A and C in paragraph 4 of the Registrar's letter, it cannot be said that the company carry on business or have a place of business in Bombay. The business is that of the agent. The facts in class B appear to be similar to Corbett's case cited above and the question to decide would be whether the agent is really an agent and not a servant of the company, depending upon further details whether the warehouse where the goods are lodged is rented in the name of the company or the agent, etc."

(G. R., R. D., No. 5532 of 18th May 1915.)

¹⁰² The G. of I., in reference to an application from a private company enquiring whether their company was exempt from the requirements of section 277, informed the Secretary to the Government of Bengal that private companies are not required by the Act to file copies of their balance sheets, all that appears to be necessary is for His Excellency the Governor in Council to satisfy himself that this company is actually a private one.

(Letter from G. of I., Deptt. of C. & I. (Companies), No. 4067-14, dated 22nd May 1914, embodied in G. R., R. D., No. 5459, dated 11th June 1914.)

if it were a company formed and registered under this Act, be required to file in accordance with the provisions of this Act :

Provided that the Governor General in Council may, by notification in the Gazette of India subject to such restrictions and conditions, if any, as he may therein prescribe, exempt any such company or any class of such companies from this requirement.^{103, 104 and 105}

(4) Every company to which this section applies and which uses the word "Limited" as part of its name, shall,—

- (a) in every prospectus inviting subscriptions for its shares or debentures in British India, state the country in which the company is incorporated; and
- (b) conspicuously exhibit on every place where it carries on business in British India the name of the company and the country in which the company is incorporated in letters easily legible in English characters, and also, if any place where it carries on business is beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place; and
- (c) have the name of the company and of the country in which the company is incorporated mentioned in

¹⁰³ For exemptions, under this section, of certain companies see the following G. Os. :—G. O., R. D., No. 534, dated 15th January 1917, G. O., R. D., No. 8158, dated 5th July 1917, G. O., R. D., No. 9010, dated 24th July 1917, G. O., R. D., No. 463, dated 16th January 1918, and G. O., R. D., No. 6133, dated 1st June 1912.

¹⁰⁴ Every company incorporated in Japan is exempted from the operation of section 277 (3) on the condition that such company files with the Registrar of the province in which it has its principal place of business a (certified) copy of the balance sheet which is required by the law of Japan to publish in that country, and, if such certified copy is not written in the English language, a certified translation thereof.

(Notn. from G. of I., Deptt. of C. & I. (Companies), No. 12586-29, dated 14th November 1914, embodied in G. O., R. D., No. 11635, dated 26th November 1914.)

¹⁰⁵ A question was raised subsequently as to the certificate required in respect of the above balance sheets, but after a reference to the Registrar of Companies and the Remembrancer of Legal Affairs, the Government decided that it was sufficient if copies of the balance sheets required to be filed by Japanese Companies, with the Registrar of Companies under the G. of I.'s Notn. (*supra*) were authenticated in the manner prescribed in section 150 of the Indian Companies Act, 1913. The following is an extract from the Remembrancer of Legal Affairs' opinion :—

"2. Under section 277 (b) 'certified' means, for the purposes of section 277 certified in the prescribed manner. Sub-section (6), as I read it, defines the word 'certified' as it is used in the section. As 'certified' is not used in sub-section (3), in my opinion the prescribed meaning of 'certified' (which is declared in number 7 of the Rules) does not apply to the G. of I. Notn.

legible English characters in all bill-heads and letter paper, and in all notices, advertisements and other official publications of the company.

(5) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(6) For the purposes of this section—

(a) the expression “certified” means certified in the prescribed manner to be a true copy or a correct translation; 105 (a).

(b) the expression “place of business” includes a share transfer or share registration office;

(c) the expression “director” includes any person occupying the position of director, by whatever name called; and

(d) the expression “prospectus” means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(7) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.¹⁰⁶

PART XI.

SUPPLEMENTAL.

Legal Proceedings, Offences, etc.

278. (1) No Court inferior to that of a Presidency Magistrate
 Cognizance of or a Magistrate of the first class shall try any
 offences. offence against this Act.

“4. Unless the O. of I. define the word in their Notn., I think the companies in question are entitled to assume that ‘certified’ is the same as ‘authenticated’ and that section 150 applies.”

(G. O., R. D., No. 11650, dated 2nd November 1915.)

“105(a) For the mode of certification and translation see rules 7 and 8, Indian Companies Rules, 1914, pages 324 to 325.”

106 See note 110 *infra*, Table B, 1st Schedule to the Act, page 301.

(2) If any offence which by this Act is declared to be punishable by fine only is committed by any person within the local limits of the ordinary original civil jurisdiction of the High Courts of Judicature at Fort William, Madras and Bombay, such offence shall be punishable upon summary conviction by any Presidency Magistrate of the place at which such Court is held.^{106(a)}

(3) Notwithstanding anything in the Code of Criminal Procedure, 1898, every offence against this Act shall, for the purposes of the said Code, be deemed to be non-cognizable. V of 1898.

279. The Court imposing any fine under this Act may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding of the person on whose information the fine is recovered.¹⁰⁷

280. Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in the matter may, if it appears that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

281. If, in any proceeding before any Court against a director of a company for negligence or breach of trust, it appears to such Court that the director is or may be liable in respect of the negligence or breach of trust, but has acted honestly and reasonably, and ought fairly to be excused for the negligence or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think proper.

282. Whoever in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Act, wilfully makes a statement false in any

^{106 (a)} If an offence committed by a Company under the Indian Companies' Act is one which must be said to have been committed in Bombay, whether the Company's registered office is there or not, the prosecution of the Company must take place in Bombay. If the offence is committed at some place in the mofussil, the prosecution must take place there and should be conducted by the Government Pleader at that place, if there is one, or, failing him by any other pleader under the instructions of the Registrar of Joint Stock Companies. In a case of the latter description the evidence of commission of the offence to be dealt with must, if necessary, be despatched from Bombay, in order to be produced before the mofussil Magistrate. (Memo. from Solicitor to Government No. 1558, dated 30th November 1868; *vide* G. R., R. D., No. 4574, dated 4th December 1863.)

¹⁰⁷ Fines levied by a Magistrate under the Indian Companies Acts appertain to the General Revenues and should be so credited.

(G. of I., F. D. No. 3194, dated 31st October 1866; G. R., R. D. No. 4833, dated 21st December 1866.)

material particular, knowing it to be false, shall be punishable with imprisonment of either description for a term which may extend to three years, and shall also be liable to fine.

283. If any person or persons trade or carry on business under any name or title of which "Limited" is the last word, that person or those persons shall, unless duly incorporated with limited liability, be liable to a fine not exceeding fifty rupees for every day upon which that name or title has been used.

284. The provisions of this Act with respect to winding up shall not apply to any company of which the winding up has commenced before the commencement of this Act, but every such company shall be wound up in the same manner and with the same incidents as if this Act had not been passed, and, for the purposes of the winding up, the Indian Companies Act, 1882, shall be deemed to remain in full force.

VI of 1882.

285. Every instrument of transfer or other document made before the commencement of this Act in pursuance of any enactment hereby repealed shall be of the same force as if this Act had not been passed, and for the purposes of that instrument or document the repealed enactment shall be deemed to remain in full force.

286. (1) The offices existing at the commencement of this Act for registration of joint-stock companies shall be continued as if they had been established under this Act.

Former registration offices, registers, and registrars continued.

(2) Registers of companies kept in any such existing offices shall respectively be deemed part of the registers of companies to be kept under this Act.

(3) The existing registrars, assistant registrars and officers in those offices shall, during the pleasure of the Local Government, hold the offices and receive the salaries hitherto held and received by them, but subject to any regulations of the Local Government with regard to the execution of their duties.¹⁰⁸

287. Nothing in this Act shall affect the provisions of the Indian Life Assurance Companies Act, 1912, or of the Provident Insurance Societies Act, 1912.

VI of 1912.

V of 1912.

Savings for Indian Life Assurance Companies Act, 1912, and Provident Insurance Societies Act, 1912.

¹⁰⁸ A whole time Registrar was appointed and the headquarters of the Registrar was directed to be in the City of Bombay from the 1st April 1914, his duties extending over the Presidency including Sind and Aden.

(G. R., R. D., No. 2799, dated 25th March 1914.)

288 In sections 1 and 18 of Act No. XXI of 1860 (for the registration of Literary, Scientific and Charitable Societies), the words "registrar of joint-stock companies" in Act XXI of 1860. shall be construed to mean the registrar under this Act.

289. Save as provided in sections 188 and 189, nothing in this Act shall be deemed to apply to the Bank of Bengal, the Bank of Madras and the Bank of Bombay.

290. (1) The enactments mentioned in the Fourth Schedule are hereby repealed to the extent specified in the fourth column thereof.

Provided that the repeal shall not affect—

(a) the incorporation of any company registered under any enactment hereby repealed; nor

(b) Table B in the Schedule annexed to Act No. XIX of 1857, or any part thereof, so far as the same applies to any company existing at the commencement of this Act; nor

(c) Table A in the First Schedule annexed to the Indian Companies Act, 1882, or any part thereof, so far as the same applies to any company existing at the commencement of this Act. VI of 1882

(2) All fees directed, resolutions passed and other things duly done under any enactment hereby repealed, shall be deemed to have been directed, passed or done under this Act.

(3) The mention of particular matters in this section or in any other section of this Act shall not prejudice the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals. X of 1897.

SCHEDULES.**THE FIRST SCHEDULE.**

(See sections 2, 17, 18, 79, 266.)

TABLE A.**REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES.***Preliminary.*

VII of 1913. 1. In these regulations, unless the context otherwise requires, expressions defined in the Indian Companies Act, 1913, or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meanings so defined; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

Business.

VII of 1913. 2. The directors shall have regard to the restrictions on the commencement of business imposed by section 103 of the Indian Companies Act, 1913, if, and so far as, those restrictions are binding upon the company.

Shares.

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.

5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least five per cent. of the nominal amount of the shares; and the directors shall as regards any allotment of shares, duly comply with such of the provisions of sections 101 and 104 of the Indian Companies Act, 1913, as may be applicable thereto.

VII of 1913.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon: Provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding eight annas, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. No part of the funds of the company shall be employed in the purchase of, or in loans upon the security of the company's shares.

Lien.

9. The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the director thinks fit, any shares on which the company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating, and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or insolvency to the share.

11. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior

to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Calls on Shares.

12. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payments) pay to the company at the time or times so specified the amount called on his shares.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent. per annum from the day appointed for the payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

16. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent.) as may be agreed upon between the member paying the sum in advance and the directors.

Transfer and transmission of shares.

18. The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the

name of the transferee is entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve :

I, A B of _____, in consideration of the sum of rupees _____ paid to me by C D of _____ (hereinafter called "the said transferee"), do hereby transfer to the said transferee the share (or shares) numbered in the undertaking called the _____ Company, Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands the day of _____

Witness to the signatures of, etc.

20. The directors may decline to register any transfer of shares, not being fully-paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless—

- (a) a fee not exceeding two rupees is paid to the company in respect thereof ; and
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors, or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the company as having any title to the share.

22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made ; but the directors shall, in either case,

have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Forfeiture of shares.

24. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in full of the nominal amount of the shares.

29. A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration, and the receipt of the company for the consideration, if

any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase-money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of shares into stock.

31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34. Such of the regulations of the company (other than those relating to share-warrants), as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

Share-warrants.

35. The company may issue share warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the persons registered as holder of the share, and authenticated by such

evidence (if any) as the directors may from time to time require as to the identity of the person signing the request, and on receiving the certificate (if any) of the share,* and the amount of the stamp-duty on the warrant and such fee as the directors may from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends, or other moneys, on the shares included in the warrant.

36. A share-warrant shall entitle the bearer to the shares included in it, and the shares shall be transferred by the delivery of the share-warrant, and the provisions of the regulations of the company with respect to transfer and transmission of shares shall not apply thereto.

37. The bearer of a share-warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share-warrant. The company shall, on two days' written notice, return the deposited share-warrant to the depositor.

39. Subject as herein otherwise expressly provided, no person shall, as bearer of a share-warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company; but the bearer of a share-warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the share included in the warrant, and he shall be a member of the company.

40. The directors may, from time to time, make rules as to the terms on which (if they shall think fit) a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Alteration of Capital.

41. The directors may, with the sanction of an extraordinary resolution of the company, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may, by special resolution,—

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
- (b) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (d) sub-section (1) of section 50 of the Indian Companies Act, 1913;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person;
- (d) reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required, by law.

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General Meetings.

45. The statutory general meeting of the company shall be held within the period required by section 77 of the Indian Companies Act, 1913

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46. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

47. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

48. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 78 of the Indian Companies Act, 1913. If at any time there are not within British India sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

Proceedings at General Meeting.

49. Fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, the such persons as are, under the regulations of the company, entitled to receive such notices from the company; but the non-receipt of the notice by any member shall not invalidate the proceedings at any general meeting.

50. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided; three members personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

54. If there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least three members, and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

57. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

59. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

60. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each share of which he is the holder.

61. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

64. On a poll votes may be given either personally or by proxy :
 Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Indian Companies Act, 1913, is in force.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or he has been appointed to act at that meeting as proxy for a corporation.

66. The instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than seventy-two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy may be in the following form, or in any other from which the directors shall approve :—

Company. Limited.

"I of in the district of , being a member of the Company, Limited, hereby appoint of as my proxy to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof."

Signed this _____ day of _____

Directors.

68. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69. The remuneration of the directors shall from time to time be determined by the company in general meeting.

70. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 85 of the Indian Companies Act, VII of 1913. 1913.

Powers and duties of Directors.

71. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

73. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74. The directors shall duly comply with the provisions of the Indian Companies Act, 1913, or any statutory modification thereof VII of 1913. for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and

charges affecting the property of the company or created by it, and to keeping a register of the directors, and to sending to the registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

75. The directors shall cause minutes to be made in books provided for the purpose—

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

The Seal.

76. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Disqualifications of Directors.

77. The office of director shall be vacated if the director—

- (a) ceases to be a director by virtue of section 85 of the Indian Companies Act, 1913; or
- (b) holds, or any partner of his, or the firm of which he is a member, holds, any other office of profit under the company except that of managing director or manager; or
- (c) is adjudged insolvent; or
- (d) is found lunatic or becomes of unsound mind; or
- (e) is concerned or participates in the profits of any contract with the company; or
- (f) is punished with imprisonment for a term exceeding six months:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director; but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

Rotation of Directors.

78. At the first ordinary meeting of the company, the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

79. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80. A retiring director shall be eligible for re-election.

81. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82. If at any meeting at which an election of directors ought to take place, the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

83. The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

85. The directors shall have power at any time, and from time to time, to appoint a person as an additional director, who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86. The company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

Proceedings of Directors.

87. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors.

88. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

90. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same the directors present may choose one of their number to be chairman of the meeting.

91. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so found shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

92. A committee may elect a chairman of their meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

93. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and, in case of an equality of votes, the chairman shall have a second or casting vote.

94. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

Dividends and Reserve.

95. The company in general meeting may declare dividends but no dividends shall exceed the amount recommended by the directors.

96. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97. No dividends shall be paid otherwise than out of profits.

98. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls, shall, while carrying interest, be treated for the purposes of this article as paid on the share.

99. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.

100. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

102. No dividend shall bear interest against the company.

Accounts.

103. The directors shall cause true accounts to be kept—

(a) of the sums of money received and expended by the company, and the matter in respect of which such receipt and expenditure takes place; and

(b) of the assets and liabilities of the company.

104. The books of account shall be kept at the registered office of the company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

105. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.

106. Once at least in every year the directors shall lay before the company in general meeting a profit and loss account for the period since the preceding account or (in the case of the first account) since the incorporation of the company, made up to a date not more than six months before such meeting.

107. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

108. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

109. A copy of the balance-sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

110. The directors shall in all respects comply with the provisions of sections 130 to 135 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force.

Audit.

111. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force. VII of 1913.

Notices.

112. (1) A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in British India) to the address, if any, within British India supplied by him to the company for the giving of notices to him.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

113. If a member has no registered address in British India, and has not supplied to the company an address within British India for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

114. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

115. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in British India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

116. Notice of every general meeting shall be given in some manner hereinbefore authorised to (a) every member of the company (including bearers of share-warrants) except those members who (having no registered address within British India) have not supplied to the company an address within British India for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency, would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

TABLE B.

(See sections 249 and 262.)

TABLE OF FEES TO BE PAID TO THE REGISTRAR

**1.—By a Company having a share capital.*

	Rs. a. p.
1. For registration of a company whose nominal share capital does not exceed Rs 20,000, a fee of.	40 0 0
2. For registration of a company whose nominal share capital exceeds Rs. 20,000, the above fee of forty rupees, with the following additional fees regulated according to the amount of nominal capital (that is to say)—	
For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 20,000 rupees up to 50,000 rupees.	20 0 0
For every 10,000 rupees of nominal share capital, or part of 10,000 rupees after the first 50,000 rupees up to 1,00,000 rupees.	5 0 0
For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 1,00,000 rupees.	1 0 0
3. For registration of any increase of share capital made after the first registration of the company, the same fees per 10,000 rupees or part of 10,000 rupees, as would have been payable if such increased share capital had formed part of the original share capital at the time of registration :	
<p>Provided that no company shall be liable to pay in respect of nominal share capital on registration, or afterwards, any greater amount of fees than 1,000 rupees taking into account, in the case of fees payable on an increase of share capital after registration, the fees paid on registration.</p>	
4. For registration of any existing company, except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.	
5. For filing any document by this Act required or authorised by the said act or the rules made thereunder other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding up, 109 and 110.	3 0 0

**See Table B I. page 94 infra.*

¹⁰⁰ The notification by the Government of India, Department of Commerce. No. 426-T. (2), dated Simla, the 11th September 1926.

In pursuance of section 249 of the Indian Companies, Act, 1913 (VII of 1913), and in supersession of the Notification of the Government of India in the Department of Commerce and Industry, No. 6161-26, dated the 22nd July 1916, the Governor General in Council is pleased to direct that in place of the fees specified in items Nos. 5 and 7 respectively, of Parts I and II of Table B

- Rs. s. p.
6. For making a record of any fact by this Act authorised or required to be recorded by the registrar, a fee of. 5 0 0

in the First Schedule of the said Act, the following reduced fees shall be paid to the Registrar in respect of the matter hereinafter mentioned, namely :—

For filing returns of allotments prescribed by section 104 of the said Act—

	Rs. s. p.
In cases in which the aggregate paid up value of the shares allotted does not exceed Rs. 25.	0 4 0
In cases in which the aggregate paid up value of the shares allotted exceeds Rs. 25 but does not exceed Rs. 50.	0 8 0
In cases in which the aggregate paid up value of the shares allotted exceeds Rs. 50 but does not exceed Rs. 75.	0 12 0
In cases in which the aggregate paid up value of the shares allotted exceeds Rs. 75 but does not exceed Rs. 100.	1 0 0
In cases in which the aggregate paid up value of the shares allotted exceeds Rs. 100.	3 0 0

For filing any other document required or authorised by the said Act or Rules made thereunder, other than the Memorandum or the abstract required to be filed with the Registrar by the liquidator in a winding up, three rupees.

* * * * *

“The fee for filing documents at present charged in India is five rupees, and in England, five shillings. The Government of India consider that the Indian rate is high and they are pleased to reduce the rate to three rupees, in the case of all documents other than the memorandum or abstract required to be filed with the Registrar by a receiver, or the statement required to be filed by the liquidator in a winding up. In the case of returns of allotments prescribed under section 104 of the Indian Companies Act, 1913 (forms VI and VII, published with notification No. 1271-23-C., dated the 28th March 1914), the Government of India are also pleased further to reduce the rate to one per cent. in cases in which the aggregate paid up value of the shares allotted does not exceed Rs. 100. These reductions have been separately notified. (G. O., R. D., No. 8439, dated 29th August 1916.)

“The registration fees payable under sections 110 and 112 are prescribed by rule 6 of the Rules published with the Government of India's Notification No. 1271-23-C., dated the 28th March 1914. While the terms “filing” and “registration” may not invariably be used in the Act in a mutually exclusive sense, the above fees and that prescribed by section 277 (7) are fees payable for registration, the documents in these cases being filed for the purpose of registration, and consequently the notification of the 22nd July 1916 does not have the effect of reducing them.”

(G. of I. Dept. of C. and I., No. 1453-M. D., dated 22nd March 1917; G. O., R. D., No. 5089, dated 23rd April 1917.)

110 The Advocate General gave the following opinion in connection with the above Resolution :—

“I am of opinion that the Resolution of the Government of India does not apply to the case of documents required to be filed with the Registrar under section 277 of the Act. The amount of the fees payable in respect of such documents is declared by sub-section (7) to be five rupees or such smaller sum as may be prescribed under the sub-section contains no reference to Table B. It seems to me therefore that the case of the fees payable in respect of such documents is separately treated, and that a reduction prescribed under section 249 is not ‘prescribed’ for the purposes of section 277 (7).

“I am of opinion therefore that the Registrar has acted rightly in not allowing any reduction in the case of the documents in question.”

(Advocate General's Opinion No. 67 of 1916, dated 29th September 1916.)

*II.—By a company not having a share capital.

1. For registration of a company whose number of members, as stated in the articles of association, does not exceed 20¹¹¹ 40 0 0
2. For registration of a company whose number of members, as stated in the articles of association, exceeds 20, but does not exceed 100. 100 0 0
3. For registration of a company whose number of members, as stated in the articles of association, exceeds 100, but is not stated to be unlimited, the above fee of Rs. 100 with an additional Rs. 5 for every 50 members, or less number than 50 members, after the first 100.
4. For registration of a company in which the number of members is stated in the articles of association to be unlimited, a fee of. 400 0 0
5. For registration of any increase on the number of members made after the registration of the company, the same fees as would have been payable in respect of such increase if such increase had been stated in the articles of association at the time of registration¹¹²
- Provided that no one company shall be liable to pay on the whole a greater fee than Rs. 400 in respect of its number of members, taking into account the fee paid on the first registration of the company.
6. For registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.
7. For filing any document by this Act required or authorised by the said Act or rules made thereunder, other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding up. 3 0 0
8. For making a record of any fact by this Act authorised or required to be recorded by the registrar, a fee of^{113, 114, 115 and 115(a)} 5 0 0

*See Table B II, page 96 *infra*.

¹¹¹See also Notes 113 and 114 *infra*.

¹¹²The words "in respect of such increase" were inserted after the words "as would have been payable" in item 5 by the notification of the G. of I., Dept. of C. and I., No. 1-D. dated 3rd November 1917. (G. N., R. D., No. 13360, dated 7th November 1917.)

¹¹³The G. of I. in their letter, Dept. of C. & I. (Companies), No. 11027, dated 8th November 1916, stated "For the purposes of Table B of the First Schedule to the Indian Companies Act, 1913, the Balance Sheet and the list of members and the summary required to be filed under sections 134 (1) and 32 respectively of the Act should be considered as separate documents and separate fees should be charged for filing these documents."

(G. O., R. D., No. 12741, dated 27th December 1916.)

¹¹⁴The Advocate General was of the opinion that the words of Table B of the Act of 1866 must be followed strictly and that the Registration fees mentioned therein could only be enforced in respect of documents "required or authorised to be registered" under the provisions of the Act.

(Letter from the Government Solicitor, No. 1051, dated 7th July 1868.)

¹¹⁵See also Notes 109 and 110 pages 300 and 301 *supra*

^{115(a)}The Indian Companies Act, 1913 (VII of 1913), does not authorise the levy of fees for the issue of any certificates other than certificates of incorporation. Certificates of incorporation (sections 23 and 262) should be charged under section 248 (5) and altered certificates of incorporation under section 11 (5). In most other cases the levy of fees will be regulated by Table B in Schedule I of the Act which fixes the fees to be charged for registration (subject to section 260), for the filing of most kinds of documents, and for recording certain facts. Copies and extracts are chargeable under section 248 (5). (G. O., R. D., No. 7598, dated 22nd July 1918.)

THE SECOND SCHEDULE.

(See section 98.)

STATEMENT IN LIEU OF PROSPECTUS.

filed by

LIMITED

pursuant to section 98 of the Indian Companies Act, 1913.

Presented for filing by

THE INDIAN COMPANIES ACT, 19

VII of 1913.

LIMITED

STATEMENT IN LIEU OF PROSPECTUS.

The nominal share capital of the company.	Rs.
Divided into	Shares of Rs. each. " " " " " "
Names, descriptions and addresses of directors or proposed directors and of the managers or proposed managers.	
Minimum subscription (if any) fixed by the memorandum or articles of association on which the company may proceed to allotment.	
Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash.	1. shares of Rs. fully paid.
The consideration for the intended issue of those shares and debentures.	2. shares upon which Rs. per share credited as paid. 3. debenture Rs. 4. Consideration.
Names and addresses of (a) vendors of property purchased or acquired, (b) or proposed to be purchased or acquired by the company.	

The nominal share capital of the company.	Rs.
Amount in (cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.	Total purchase price .. Rs. Cash .. " Shares .. " Debentures .. " Goodwill .. Rs.
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company or	Amount paid. " payable.
Rate of the commission	Rate per cent.
Estimated amount of preliminary expenses	Rs.
Amount paid or intended to be paid to any promoter .. Consideration for the payment	Name of promoter Amount Rs. Consideration :—
Dates of, and parties to every material contract (other than contracts entered into in the ordinary course of the business intended to be carried on by the company or entered into more than two years before the filing of this statement).	
Time and place at which the contract or copies thereof may be inspected.	
Names and addresses of the auditors of the company (if any).	

(a) For definition of vendor, see section 94 of the Indian Companies Act, 1913.

(b) See section 95 of the Indian Companies Act, 1913.

The nominal share capital of the company.

Rs. _____

Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise by any person either to induce him to become, or to qualify him as a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.

Whether the articles contain any provisions precluding holders of shares or debentures receiving and inspecting balance-sheets or reports of the auditors or other reports. Nature of the provisions.

(Signature of the persons abovenamed as directors or proposed directors, or of their agents authorised in writing.)

THE THIRD SCHEDULE.

FORM A.

(See sections 6 and 151.)

MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES.

1st.—The name of the company is "The Eastern Steam Packet Company, Limited."

2nd.—The registered office of the company will be situate in the province of Bombay.

3rd.—The objects for which the company is established are "the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—The share capital of the company is two hundred thousand rupees, divided into one thousand shares of two hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, addresses and descriptions subscribers.					Number of shares taken by each subscriber.
1. A. B. of, Merchant	..	..	..	..	200
2. C. D. " "	..	..	..	..	25
3. E. F. " "	..	..	..	..	30
4. G. H. " "	..	..	..	..	40
5. I. J. " "	..	..	..	..	15
6. K. L. " "	..	..	..	..	5
7. M. N. " "	..	..	..	..	10
Total shares taken					325

Dated the day of 19 .

Witness to the above signatures.

X. Y. of

FORM B.

(See sections 7 and 151.)

MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED
BY GUARANTEED AND NOT HAVING A SHARE CAPITAL.

Memorandum of Association.

1st.—The name of the company is “The Mutual Calcutta Marine Association, Limited.”

2nd.—The registered office of the company will be situate in Calcutta.

3rd.—The objects for which the company is established are “the mutual insurance of ships belonging to members of the company, and the doing all such other things as are incidental or conducive to the attainment of the above object.”

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding one hundred rupees.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers.

“1. A. B. of

“2. C. D. of

“3. E. F. of

“4. G. H. of

“5. I. J. of

“6. K. L. of

“7. M. N. of

Dated the day of 19

Witness to the above signatures.

M. Y. of

ARTICLES OF ASSOCIATION TO ACCOMPANY PRECEDING MEMORANDUM
OF ASSOCIATION.*Number of Members.*

1. The company for the purpose of registration is declared to consist of five hundred members.

2. The directors hereinafter mentioned may, whenever the business or the association requires it, register an increase of members.

Definition of Members.

3. Every person shall be deemed to have agreed to become a member of the company who insures any ship or share in a ship in pursuance of the regulations hereinafter contained.

General Meetings.

4. The first general meeting shall be held at such time, not being less than one month nor more than three months after the incorporation of the company, and at such place, as the directors may determine.

5. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place, as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

6. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

7. The directors may, whenever they think fit, and shall, on a requisition made in writing by any five or more members, call an extraordinary general meeting.

8. Any requisition made by the members must state the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the registered office of the company.

9. On receipt of the requisition the directors shall forthwith proceed to call a general meeting: if they do not proceed to cause a meeting to be held within twenty-one days from the date of the

requisition being so deposited, the requisitionists or any other five members may themselves call a meeting.

Proceedings at General Meetings.

10. Fourteen days' notice at the least, specifying the place, the day and the hour of meeting, and in case of special business the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the company in general meeting; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

11. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

12. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of members is present at the commencement of the business. The quorum shall be ascertained as follows (that is to say):—if the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten, there shall be added to the above quorum one for every five additional members with this limitation, that no quorum shall in any case exceed ten.

13. If within one hour from the time appointed for the meeting a quorum of members is not present, the meeting, if called on the requisition of the members, shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned *sine die*.

14. The chairman (if any) of the directors shall preside as chairman at every general meeting of the company.

15. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some one of their number to be chairman of that meeting.

16. The chairman may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

17. At any general meeting, unless a poll is demanded by at least three members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

18. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Votes of Members.

19. Every member shall have one vote and no more.

20. If any member is a lunatic or idiot, he may vote by his committee or other legal guardian.

21. No member shall be entitled to vote at any meeting unless all moneys due from him to the company have been paid.

22. On a poll votes may be given either personally or by proxy :
 VII of 1913. Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Indian Companies Act, 1913, is in force. A proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a corporation under its common seal.

23. (1) No person shall act as a proxy unless he is a member, or unless he is appointed to act at the meeting as proxy for a corporation.

(2) The instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

24. Any instrument appointing a proxy shall be in the following form :—

Company, Limited,

I, _____, of _____, being a
 Member of the _____ Company, Limited, hereby appoint
 _____ of _____ as my
 proxy, to vote for me and on my behalf at the [ordinary or extra-
 ordinary; as the case may be] general meeting of the company to
 be held on the _____ day of _____ and at any
 adjournment thereof.

Signed this _____ day of _____

Directors.

25. The number of the directors and the names of the first directors shall be determined by the subscribers of the memorandum of association.

26. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of the Indian Companies Act, 1913, be deemed to be directors. VII of 1913.

Powers of Directors.

27. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by the Indian Companies Act, 1913, or by any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made. VII of 1913.

Elections of Directors.

28. The directors shall be elected annually by the company in general meeting.

Business of Company.

(Here insert rules as to mode in which business of insurance is to be conducted.)

Audit.

29. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if the word "members" were substituted for "share-holders," and as if "first general meeting" were substituted for "statutory meeting." VII of 1913.

Notices.

30. A notice may be given by the company to any member either personally, or by sending it by post to him to his registered address.

31. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and

posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of

"2. C. D. of

"3. E. F. of

"4. G. H. of

"5. I. J. of

"6. K. L. of

"7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y. of

FORM C.

(See sections 7 and 151.)

MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY, LIMITED
BY GUARANTEE, AND HAVING A SHARE CAPITAL.

Memorandum of Association.

1st.—The name of the company is "The Snowy Range Hotel Company, Limited."

2nd.—The registered office of the company will be situate in the province of Bengal.

3rd.—The objects for which the company is established are "the facilitating travelling in the Snowy Range, by providing hotels and conveyances by sea and by land for the accommodation of travellers, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one

year afterwards, for payment of the debts and liabilities of the company, contracted before he ceases to be a member, and the cost, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty rupees.

6th.—The share capital of the company shall consist of five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

We the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.						Number of shares taken by each Subscriber.
" 1. A. B. of	..	..	..	..	..	200
" 2. C. D. of	..	..	..	..	..	25
" 3. E. F. of	..	..	..	..	..	30
" 4. G. H. of	..	..	..	..	..	40
" 5. I. J. of	..	..	..	..	..	15
" 6. K. L. of	..	..	..	..	..	5
" 7. M. N. of	..	..	..	..	..	10
Total shares taken						325

Dated the day of 19 .

Witness to the above signatures.

X. Y. of

*Articles of Association to accompany preceding
Memorandum of Association.*

1. The share capital of the company is five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

2. The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.

3. The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.

VII of 1913.

4. All the articles of Table A of the Indian Companies Act, 1913, shall be deemed to be incorporated with these articles and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

- , merchant.
- "1. A. B. of
 "2. C. D. of
 "3. E. F. of
 "4. G. H. of
 "5. I. J. of
 "6. K. L. of
 "7. M. N. of

Dated the day of 19 .

Witness to the above signatures.

X. Y. of

FORM D.

(See sections 8 and 151.)

MEMORANDUM AND ARTICLES OF ASSOCIATION OF AN UNLIMITED COMPANY HAVING A SHARE CAPITAL.

Memorandum of Association.

- 1st.—The name of the company is "The Patent Stereotype Company."
- 2nd.—The registered office of the company will be situate in the province of Bombay.
- 3rd.—The objects for which the company is established are "the working of a patent method of founding and casting stereotype plates of which method P. Q., of Bombay, is the sole patentee."

We, the several persons whose names are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.	Number of shares taken by each Subscriber.
" 1. A. B. of	3
" 2. C. D. of	2
" 3. E. F. of	1
" 4. G. H. of	2
" 5. I. J. of	2
" 6. K. L. of	1
" 7. M. N. of	1
Total shares taken ..	12

Dated the day of 19 .

Witness to the above signatures.

X. Y. of

*Articles of Association to accompany the preceding
Memorandum of Association.*

1. The share capital of the company is twenty thousand rupees divided into twenty shares of one thousand rupees each.

2. All the articles of Table A of the Indian Companies Act, VII of 1912 1913, shall be deemed to be incorporated with these articles, and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

- "1. A. B. of , merchant.
 "2. C. D. of
 "3. E. F. of
 "4. G. H. of
 "5. I. J. of
 "6. K. L. of
 "7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y. of

Folio in register ledger containing particulars.		Names, addresses and Occupations.	Account of shares.
Name in full.			
Father's name.			
Address.			
Occupation or caste.			
*Number of Shares held by existing Members at Date of Return.			
Number.†		\$Particulars of Shares transferred since the Date of the last Return by persons who are still Members.	
Date of Registration of Transfer.			
Number.‡		\$Particular shares transferred since the Date of the last Return by Persons who have ceased to be Members.	
Date of Registration of Transfer.			
Remarks.			

§The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed opposite the name of the transfer or and not opposite that of the transferee, but the name of the transferee may be inserted in the Remarks column immediately opposite the particulars of each transfer.¹¹⁶

¹¹⁶. It is to be observed that in the Act the footnote reference marks have been inaccurately printed :—Thus, the Note marked “4” should refer to column 6 and not to column 7, and that marked “†” should refer to columns 6 and 7 as well as to column 9.

Names and addresses of the persons who are the Directors .
of the , Limited on the day of
19 .

Names.	Addresses.

Names and addresses of the persons who are the managers of
the , Limited, on the day
of 19 .

Names.	Addresses.

NOTE.—Banking companies must add a list of all their places of business.

I, , do hereby certify that the above list
and summary truly and correctly states the facts as they stood on
the day of 19 .

(Signature)

(State whether director, manager or secretary.)¹¹⁷

¹¹⁷. By G. O., R. D., No. 2025 of the 21st February 1916, Form E was ordered to be printed for use by public.

By G. O., R. D., No. 9354 of the 23rd September 1916, it was ordered that the Registrar should keep copies of the Form in stock in his office for sale.

FORM F.

(See section 132.)

Limited,

19

Balance-sheet as at

CAPITAL AND LIABILITIES.		Rs.	A. P.	Rs.	A. P.	PROPERTY AND ASSETS.		Rs.	A. P.	Rs.	A. P.
Capital—						Fix Capital Expenditure ..	.. ..	..	..
Authorised Capital...shares of Rs.....each...						(Distinguishing as far as possible between expenditure upon goodwill, land, buildings, leaseholds, railways sidings, plant, machinery, furniture, development of property, patents, trademarks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the total Depreciation written off under each head.)					
Issued Capital ^{11s} ...shares of Rs.....each...						Preliminary Expenses ..	.. ..	..	..
Subscribed Capital ^{11s} ...shares of Rs...each...						Commission or Brokerage ..	.. ..	..	..
Amount called up at Rs.....per share.....						(Commission or Brokerage paid for underwriting or placing shares or debentures until written off.)					
Less—Calls unpaid						Stores and Spare Gear ..	.. ..	..	..
Add—Forfeited shares (amount paid up) ..											
Reserve Fund or Development Fund ..											
Any Sinking Fund											
Any other Fund created out of net profits ..											

FORM F.—*contd.*

CAPITAL AND LIABILITIES.		Rs.	A.	P.	Rs.	A.	P.	PROPERTY AND ASSETS.		Rs.	A.	P.	Rs.	A.	P.
Any Pension or Insurance Fund ^{118(a)}								Loose Tools							
Provision for Bad and Doubtful debts (in the case of Companies other than Banks).								Live Stock							
Loans on Mortgage or Mortgage Debenture Bonds.								Stock in Trade							
Loans otherwise secured								(Stating mode of valuation, e.g., cost or market-value.)							
Loans unsecured.								Bills of Exchange							
Interest								Book Debts (other than bad and doubtful debts of a Bank for which provision has been made to the satisfaction of the auditors. ^{118a})							
Accrued on Mortgages, Debentures or other Secured Loans.								(Distinguishing in the case of a Bank between those considered good and in respect of which the Bank is fully secured and those considered good for which the Bank holds no security other than the debtor's personal security, and distinguishing in all other cases between debts considered good and debts considered doubtful or bad. Debts due by Directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated in all cases.)							
Unclaimed Dividends								Advances							
Liabilities								(Recoverable in cash or in kind or for value to be received, e.g., Rates, Taxes, Insurance, etc.)							
For Goods supplied															
Expenses															
Acceptances															
Other Finance															
Advance Payments and Unexpired Discounts. (For the portion for which value has still to be given, e.g., in the case of the following classes of Companies—Newspaper, Fire Insurance, Theatre, Club, Banking, Steamship Companies, etc.)															

Profit and Loss	..	..	..	Investments ..	..	..
Balance as per previous Balance Sheet	..	..	..	(Nature of Investment and mode of valuation	..	..
Less—appropriation thereof	..	..	..	(e.g., cost or market-value).	..	..
Balance brought forward	..	..	..	Interest Accrued on Investments	..	..
Profit since last Balance Sheet..	..	..	..	Cash and other Balances ..	..	..
(N.B.—These details need not be given if the same be contained in a Profit and Loss account attached to the Balance Sheet.)				Amount in hand	..	..
Contingent Liabilities—				Balances with Agents and Bankers (in detail showing whether on Deposit or current account etc.)		
Claims against the Company not acknowledged as debts.				Profit and Loss (giving, in the case of a debit balance, details as far as possible as in the case of a credit balance).		
Moneys for which the Company is contingently liable.						
Arrears of Cumulative Preference Dividends						

118 In Bombay there has been much diversity of opinion as to the meaning of the words "issued capital" and "subscribed capital" used in Form F.

After a full discussion with the Society of Professional Accountants, Bombay, the Registrar took the opinion of the Advocate General who gave his opinion as follows:—

"I am of opinion that the expression 'issued capital' in Form F of the 3rd Schedule to the Indian Companies Act VII of 1913 means capital offered for subscription and includes capital issued and allotted to a vendor for a consideration other than cash, and that the expression 'Subscribed capital' in Form F aforesaid means capital allotted, irrespectively of whether it was allotted for cash or other consideration."

(Advocate General's Opinions No. 70 of 1916, dated 9th October 1916, and No. 74 of 1916, dated 16th October 1916.)

119 (a). Amended by Government of India, Department of Commerce, Notification No. 60-T-(28), dated 29th March 1927 published in the Gazette of India Extraordinary of the same date.

FORM G.

(See section 136.)

FORM OF STATEMENT TO BE PUBLISHED BY BANKING AND INSURANCE COMPANIES
AND DEPOSIT, PROVIDENT, OR BENEFIT SOCIETIES.

*The share capital of the company is Rs. divided into
shares of each
The number of shares issued is Calls to the amount of Rs.
per share have been made, under which the sum of Rs. has been received.

*The liabilities of the company on the thirty-first day of December (or
thirtieth of June) were :—

Debts owing to sundry persons by the company.

Under decree, Rs.

On mortgages or bonds, Rs.

On notes, bills or hundis, Rs.

On other contracts, Rs.

On estimated liabilities, Rs.

The assets of the company on that day were :—

Government securities [stating them], Rs.

Bills of exchange, hundis and promissory notes, Rs.

Cash at the Bankers, Rs.

Other securities, Rs.

*If the company has no capital divided into shares, the portion of the state-
ment relating to capital and share must be omitted.

THE FOURTH SCHEDULE.

(See section 290.)

ENACTMENTS REPEALED.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1882	VI	The Indian Companies Act, 1882 ..	So much as has not been repealed.
1887	VI	The Indian Companies Act (1882) Amend- ment Act, 1887.	The whole.
1891	XII	The Amending Act, 1891 ..	So much of the Second Schedule as relates to the Indian Companies Act, 1882.
1895	XII	The Indian Companies (Memorandum of Association) Act, 1895.	The whole.
1899	IX	The Indian Arbitration Act, 1899 ..	The second proviso to section 3 relat- ing to the Indian Companies Act, 1882.
1900	IV	The Indian Companies (Branch Registers) Act, 1900.	The whole.
1910	IV	The Indian Companies (Amendment) Act, 1910.	The whole.

*The statement must be as at 30th June and 31st December even if the
Bank closes its books to some other half year Opinion of Legal Remembrancer
No. 1151, dated 27th June 1923. G. O., R. D., No. 8314-G., dated 14th July
1923.

THE INDIAN COMPANIES RULES, 1914. §

- Short title.** 1. These rules may be called the **Indian Companies Rules, 1914.**
- Definitions.** 2. In these rules,
- (1) the 'Act' means the Indian Companies Act, 1913;
 - (2) the 'Schedule' means the Schedule hereto annexed;
 - (3) the decision of the Registrar as to the meaning of the words 'responsible officer' shall be final.
3. Copies of contracts required to be filed with the Registrar under section 104 of the Act shall be deemed to be duly verified if they are,
- (1) certified copies as defined in section 76 of the Evidence Act (I of 1872); or
 - (2) certified by an affidavit of some responsible officer of the Company to be true copies.
4. A copy of an instrument by which a mortgage or charge is created or evidenced delivered to the Registrar for filing under section 109 of the Act, or a copy of a deed so delivered under section 110 of the Act, shall be deemed to be verified in the prescribed manner if it is,
- (1) a certified copy as defined in section 76 of the Evidence Act; or
 - (2) certified by an affidavit of some responsible officer of the Company to be a true copy:
- Provided that a copy of such an instrument or deed where the mortgage or charge comprises solely property situate outside British India shall be deemed to be so verified if it is certified to be a true copy under the seal of the Company or under the hand of some person interested therein otherwise than on behalf of the Company.
5. If any portion of any document required to be filed under the Act other than under section 277 thereof
- Translation.** is not in the English language, a translation thereof, certified by a responsible officer of the Company to be correct shall be furnished along with each copy deposited with the Registrar.

§ These rules were published under G. of I. Notification (Companies) No. 1271-23-C. of Delhi, 28th March 1914, under B. G. Notification No. 2960 of 30-3-14 in B. G. G., Part I, pages 714 to 729 of 1914.

(Government of India Notification, Department of Commerce and Industry, No. 5660-5, dated 8th May 1915.)

Proviso.—The Registrar may exempt any company from the operation of this rule in respect of such documents or parts of documents as he may in his discretion think fit.

Fees for registering mortgages and charges. 6. The following fees shall be payable for the registration of mortgages and charges, namely :—

	Rs.
(1) For registering under section 110 of the Act particulars of a series of debentures,	
Where the total amount secured by the whole series does not exceed Rs. 2,000	5
Where it exceeds Rs. 2,000	10
(2) For registering under section 112(1) mortgages of charges created by a Company,	
Where the amount of the mortgage or charge does not exceed Rs. 2,000	5
Where it exceeds Rs. 2,000	10
(3) For inspection under section 112(3) of the register of mortgages and charges	1
(4) For registration under section 118 of the appointment of a Receiver	5

7. A copy of a document required to be filed with the Registrar under section 277 of the Act shall be deemed to be certified in the prescribed manner :—
 Certification of documents under section 277 of the Act.

A. In the case of a Company incorporated in a foreign country, if

- (1) duly certified as a true copy by an official of the Government to whose custody the original is committed, the signature or seal of such official being authenticated by any of the British officials mentioned in section 6 of the Commissioners of Oaths Act, 1889, 52 and 53 Vict., c. 10, or in any Act amending the same,¹¹⁹ or
- (2) duly certified as a true copy by a Notary of such foreign country, the certificate of the Notary being authenticated by any of the British officials mentioned in

¹¹⁹ Section 6 of the Commissioners of Oaths Act, 1889, 52 and 53 Vict., c. 10 is as follows :—

- (1) Every British Ambassador, envoy, minister, chargé d'affaires and Secretary of embassy or legation exercising his functions in any foreign country and every British Consul-General, Consul, Vice-Consul, acting Consul, pro-Consul and Consular agent exercising his functions in any foreign place may, in that country or place, administer any oath and take any affidavit and also do any notarial act which any notary public can do within the United Kingdom; and every oath, affidavit, and notarial act administered, sworn, or done by or before any such person shall be as effectual as if duly administered, sworn or done by or before any lawful authority in any part of the United Kingdom.

section 6 of the said Act or in any Act amending the same, or

- (3) duly certified as a true copy on oath by some officer of the Company before a person having authority to administer an oath as provided by section 3 of the said Act, the status of the person administering the oath being authenticated by any of the British officials mentioned in section 6 of the said Act or in any Act amending the same.

B. In the case of a Company incorporated in any part of His Majesty's dominions if it is—

- (1) duly certified as a true copy by an official of the Government to whose custody the original is committed, or
- (2) duly certified as a true copy by a Notary Public of such place, or
- (3) duly certified as a true copy on oath by some officer of the Company before some person having authority to administer an oath in such place.

8. Translations of documents required to be filed with the Registrar under section 277 of the Act shall be deemed to be certified as correct translations, if certified to be correct translations.

Certification
translations
section 277.

of
under

A. Where such translation is made out of British India by

- (1) an official having custody of the original, or,
- (2) a Notary Public for the country or place where the Company is incorporated :

Provided that where the Company is incorporated in a foreign country, the signature or seal of the person so certifying shall be authenticated in either case by any of the British officials mentioned in section 6 of the Commissioners of Oaths Act, 1889, 52 and 53 Vict., c. 10, or in any Act, amending the same.

B. Where such translation is made within British India

- (1) by an Advocate, Attorney or Pleader entitled to appear before the High Court, or
- (2) by an affidavit of some person having, in the opinion of the Registrar, a competent knowledge of the language of the original and of English.

9. The Governor General in Council may in any particular case if he thinks fit and upon such conditions as he may prescribe, permit certified copies or translations though not certified in accordance with rules 7 and 8 to be filed with the Registrar.

Power of Governor General in Council to relax rules 7 and 8.

10. Notice of any alteration which is required by section 277 (1) of the Act to be filed with the Registrar shall be so filed within one month after the date on which particulars of the alteration could in due course of post, and if despatched with due diligence have been received by the Registrar from the place where the Company is incorporated.

Times for filing alterations of particulars under section 277.

11. The Governor General in Council further prescribes and directs that the forms in the Schedule or forms as near thereto as circumstances admit shall be used in all matters to which these forms relate.

Forms.

Payment of fees.

12. All fees payable under the Act may be paid either in cash or by revenue stamps.

THE SCHEDULE.

FORM I.

Declaration on registration of Company.

THE INDIAN COMPANIES ACT, 1913.

(See section 24.)

Filing Fee Rs. 3.

*Declaration of compliance with the requirements of the Indian Companies Act, 1913, made pursuant to section 24 (2) on behalf of a Company proposed to be registered as the

Presented for filing by

I of do solemnly and sincerely declare that I am (a) of the and that all the requirements of the Indian Companies Act, 1913, in respect of matters precedent to the registration of the said Company and incidental thereto have been complied with, save only the payment of the fees and sums payable on registration. And I make this solemn declaration conscientiously believing the same to be true.

(a) Here insert—'An Advocate, Attorney or Pleader entitled to appear before a High Court who is engaged in the formation of the Company' or 'a person named in the Articles as a Director, Manager or Secretary of the Company.'

FORM II.

Consent of Director to act.

THE INDIAN COMPANIES ACT, 1913.

(See section 84.)

Filing Fee Rs. 3.

Consent to act as Director of the to be signed and filed pursuant to section 84 (1) (i).

Presented for filing by

To the Registrar of Joint Stock Companies—

(a) , the undersigned, hereby testify

(b) consent to act as Director of the pursuant to section 84 (1) (i) of the Indian Companies Act, 1913.

(a) Here insert 'I' or 'we.'

(b) Here insert 'my' or 'our.'

*NOTE.—This declaration is chargeable with a two-rupees revenue stamp [Indian Stamp, (Bombay Amendment) Act II of 1922.]

*Signature.	Address.	Description.

Dated this of 19 .

Section 84 (3) of the Indian Companies Act, 1913, provides that :—

‘This section shall not apply to a private Company nor to a prospectus issued by or on behalf of a Company after the expiration of one year from the date at which the Company is entitled to commence business.’

*If a Director signs by ‘his agent authorised in writing’ the authority must be produced and a copy filed.

FORM III.

List of persons consenting to be Directors.

THE INDIAN COMPANIES ACT, 1913.

(See section 84.)

Filing Fee Rs. 3.

List of the persons who have consented to be Directors of the
to be filed with the Registrar pursuant to
section 84 (2).

Presented for filing by
To the Registrar of Joint Stock Companies—

(a) , the undersigned, hereby give you notice,
pursuant to section 84 (2) of the Indian Companies Act, 1913,
that the following persons have consented to be Directors of the

Name.	Address.	Description.

Signature, address and description }
of applicant for registration.

Dated this day of 19 .

Section 84 (3) of the Indian Companies Act, 1913, provides that—

‘This section shall not apply to a private Company nor to a prospectus issued by or on behalf of a Company after the expiration of one year from the date at which the Company is entitled to commence business.’

FORM IV.

Declaration before commencing business in case of Company issuing a prospectus.

THE INDIAN COMPANIES ACT, 1913.

(See section 103.)

Filing Fee Rs. 3.

†Declaration made on behalf of the* that the conditions of section 103 of the Act have been complied with.

*Insert name of Company.

Presented for filing by

I of being (a) of
the *do solemnly and sincerely declare :—

(a) Insert here ‘the Secretary’ or ‘a Director.’

That the amount of the share capital of the company offered to the public for subscription is Rs.

That the amount fixed by the memorandum or articles and named in the prospectus as the minimum subscription upon which the Company may proceed to allotment is Rs.

That shares held subject to the payment of the whole amount thereof in cash have been allotted to the amount of Rs.

That every Director of the Company has paid to the Company on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription.

I declare that the foregoing statements are true to my knowledge and belief.

Signature.

Date.

† For stamps see note under Form I. This declaration must be sworn before some person who is authorised to administer oaths.

FORM V.

*Declaration before commencing business in case of Company
filing statement in lieu of prospectus.*

THE INDIAN COMPANIES ACT, 1913.

(See section 103.)

Filing Fee Rs. 3.

†Declaration made on behalf of the *(which is a
Company that has filed with the Registrar a statement in lieu of
prospectus), that the conditions of section 103 of the Act have been
complied with.

*Insert name of Company.

Presented for filing by
I of being (a) of
the* do solemnly and sincerely declare :—

(a) Insert here 'the Secretary' or 'a Director.'

That the amount of the share capital of the Company other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash is Rs.

That the amount fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the Company may proceed to allotment is Rs.

That shares held subject to the payment of the whole amount thereof in cash have been allotted to the amount of Rs.

That every Director of the Company has paid to the Company on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion, equal to the proportion payable on application and allotment on the shares payable in cash.

I declare that the foregoing statements are true to my knowledge and belief.

Signature.

Date.

FORM VI.

Return of Allotments.

THE INDIAN COMPANIES ACT, 1913.

(See section 104.)

Filing Fee Rs. 3.

Return of allotments from the* of 19
 , to the of , 19 of the
 Made pursuant to section 104 (1).

(To be filed with the Registrar within one month after the
 allotment is made.)

† Number of the shares allotted payable in cash ..	..	..
Do. do. do. ..	..	..
Nominal amount of the share so allotted ..	..	..
Do. do. do. ..	..	..
Amount paid or due and payable on each such share ..	..	..
Do. do. do. ..	..	..
Number of shares allotted for a consideration other than cash ..	..	..
Nominal amount of the shares so allotted ..	..	..
Amount to be treated as paid on each such share..	..	..

The consideration for which such shares have been allotted is
 as follows :—

Presented for filing by

Names, addresses, and descriptions of the Allottees.

Name in full.	Address.	Description.	Number of shares allotted.	
			Preference.	Ordinary.

Signature.

*NOTE.—In making a return of allotments under section 104 (1) of the Indian Companies Act, 1913, it is to be noted that :—

1. When a return includes several allotments made on different dates, the actual dates of only the first and last of such allotments should be entered at the top of the front page, and the registration of the return should be effected within one month of the first date.
2. When a return relates to one allotment only, made on one particular date that date only should be inserted, and the spaces for the second date struck out, and the word "made" substituted for the word "from" after the word "allotments" on the front page.

†Distinguished between preference, ordinary, or other description of shares

FORM VII.

Particulars of Oral Contracts.

THE INDIAN COMPANIES ACT, 1913.

[See section 104 (2).]

Filing Fee Rs. 3.

This Form must bear a stamp of the value of the stamp duty that would have been payable if the contract had been reduced to writing.

Particulars prescribed under section 104, sub-section (2) of the Act.

Filed by*

Presented for filing by.

(1) The number of shares, in whole or in part, allotted for a consideration other than cash.											
(2) If the consideration for the allotment of any shares is services, or any consideration other than that mentioned below in part 3, state what such consideration consists of.											
(3) If the consideration for the allotment of any shares is a sale of property, or the agreement for the sale of property, state fully the consideration for, and other terms of, such sale or agreement for sale.											
<p>(4) Give full particulars, in the form of the following table, of the property, which is the subject of the sale, showing in detail how the total consideration is apportioned between the respective heads :—</p> <table border="1"> <tr> <td data-bbox="252 1141 834 1204">Immoveable property or interest in immoveable property wherever such immoveable property may be situate.</td> <td data-bbox="834 1141 984 1204" rowspan="7">Rs.</td> </tr> <tr> <td data-bbox="252 1204 834 1252">Patents, Licenses, Trade-marks and copyrights</td> </tr> <tr> <td data-bbox="252 1252 834 1300">Goodwill</td> </tr> <tr> <td data-bbox="252 1300 834 1348">Fixtures and fittings</td> </tr> <tr> <td data-bbox="252 1348 834 1396">Book and other debts (including money on deposit at Bank or elsewhere).</td> </tr> <tr> <td data-bbox="252 1396 834 1444">Benefit of contracts</td> </tr> <tr> <td data-bbox="252 1444 834 1492">Other property, viz.</td> </tr> <tr> <td data-bbox="677 1492 834 1519">Total</td> <td data-bbox="834 1492 984 1519"></td> </tr> </table>	Immoveable property or interest in immoveable property wherever such immoveable property may be situate.	Rs.	Patents, Licenses, Trade-marks and copyrights	Goodwill	Fixtures and fittings	Book and other debts (including money on deposit at Bank or elsewhere).	Benefit of contracts	Other property, viz.	Total		
Immoveable property or interest in immoveable property wherever such immoveable property may be situate.	Rs.										
Patents, Licenses, Trade-marks and copyrights											
Goodwill											
Fixtures and fittings											
Book and other debts (including money on deposit at Bank or elsewhere).											
Benefit of contracts											
Other property, viz.											
Total											

*Insert name of Company.

(5) If the consideration payable is partly in respect of a sale of property or agreement for a sale of property, and partly in respect of some other consideration, state fairly how much of the amount of the consideration is attributable to each of the heads of the property sold or agreed to be sold, and how much to such other consideration.

(6) If the consideration payable consists in the assumption by the purchaser of liabilities to third persons, specify the total amount of such liabilities.

Signature.

Designation of position in relation to the Company.

Date.

FORM VIII.

Statements as to Commission where shares not offered to the public.

THE INDIAN COMPANIES ACT, 1913.

(See section 105.)

Filing Fee Rs. 3.

Presented for filing by

Statement by a Company, pursuant to section 105 of the Indian Companies Act, 1913, of the amount or rate paid, or agreed to be paid, by way of commission in respect of shares.

Name of Company	No.
Article of Association authorising commission ..	
Particulars of the amount paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure, subscriptions for any shares in the Company.	Paid Rs.
or	Payable Rs.
Rate of such commission	Rate per cent.
Date of circular or notice, if any (not being a prospectus), inviting subscriptions for the shares and disclosing the amount or rate of the commission.	Date.

Signature of the Directors or of their agents authorised in writing.

Date.

FORM IX.

Particulars of Mortgages and Charges.

THE INDIAN COMPANIES ACT, 1913.

(See section 109.)

Fee payable in accordance with rule.

Particulars to be filed with the Registrar pursuant to section 109 of a mortgage or charge created by the* and being :—

*Insert name of Company.

- (a) A mortgage or charge for the purpose of securing any issue of debentures; or
- (b) A mortgage or charge on uncalled share capital of the Company; or
- (c) A mortgage or charge on any immoveable property wherever situate or any interest therein; or
- (d) A mortgage or charge on any book debts of the Company; or
- (e) A floating charge on the undertaking or property of the Company.

[Strike out the sub-heads (a), (b), (c), (d) or (e) which do not apply.]

Presented for filing by

Particulars of mortgage or charge created by the

1	2	3	4	5
Date of the instrument creating or evidencing the mortgage or charge and description thereof.	Amount secured by the mortgage or charge.	Short particulars of the property mortgaged or charged.	Names (with addresses and descriptions) of the mortgagees or persons entitled to the charge.	Amount or rate per cent. of the Commission, allowance or discount (if any) paid or made either directly or indirectly by the Company, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions whether absolute or conditional for any of the debentures included in this Return.

Signature.

Designation of position in relation to the Company.

Date.

THE LUDIAN COMPANIES ACT, 1913.

Particulars to be filed with the Registrar pursuant to section 110, relating to a series of debentures containing, or giving by reference to any other instrument, any charge, to the benefit of which the debenture holders of the said series are

giving of a series of
entitled *pari passu* created by the
Presented for filing by
Particulars to be filed with the Registrar pursuant to section 110 of the Indian Companies Act, 1913, of a series of
Adventures created by

1	2	3	4	5	6	7
Total amount secured by the whole series.	Amount of the present issue of the series.	Dates of Resolutions authorising the issue of the series.	Dates of the covering deed (if any) by which the security is created or defined; or if there is no such deed, the date of the first execution of debentures of the series.	General description of the property charged.	Names of the Trustees (if any) for the Debenture holders.	Amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the Company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions whether absolute or conditional for any of the debentures included in this Return.
						Signature.

... in relation to the Company.

[illegible]

NOTES.—(1) The deed, if any, or a copy thereof, must be produced within twenty-one days after the execution of such deed; or, if there be no deed, then within twenty-one days after the execution of the series.

NOTES:—(1) Debentures with the Registrar within twenty-one days after the execution of any debentures of the same class, and (2) Debentures with the Registrar within twenty-one days after the execution of any debentures of the same class as follows:—

(2) The fees payable on the registration of these particulars are as follows:—

Where the amount secured by the whole series does not exceed Rs. 2,000	Where the amount secured by the whole series exceeds Rs. 2,000
Rs. 100	Rs. 200

Where the amount secured by
Do.
Do.

FORM XI.

Registration when more than one issue of the same series.

THE INDIAN COMPANIES ACT 1913.

(See section 110.)

Filing Fee Rs. 5.

The

Statement of particulars as required by section 110 when more than one issue is made of debentures in a series.

Presented for filing by

Particulars of an issue of debentures made by the

To be entered on the register pursuant to the proviso to section 110 of the Indian Companies Act, 1913.

1	2	3
Date of present issue.	Amount of present issue.	Particulars as to the amount or rate per cent. of the commission allowance, or discount (if any) paid, or made, either directly or indirectly, by the Company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures included in this Return.

Signature.

Designation of position in
relation to the Company.

Date.

NOTE.—Section 110 above-mentioned provides :—

- (1) For registration of particulars of the entire series (for which purpose Form No. X must be used), and
- (2) When there is more than one issue of debentures of the series for the registration of the amount and date of each issue (for which purpose this Form No. XI must be used).

The proviso to section 110 of the Indian Companies Act, 1913, provides that :—

Where more than one issue is made of debentures in the series,

FORM XII.

Form of Register of mortgages and charges and Index.

THE INDIAN COMPANIES ACT, 1913.

(See sections 112 and 121.)

Register of Mortgages and Charges and of Memoranda of satisfaction of the

Date of registration.	Serial number of document on file.	Date of creation of each mortgage or charge and description thereof.	Amount secured by the mortgage or charge.	Short particulars of the property mortgaged or charged.	Names of the mortgagees or persons entitled to the charge.	Total amount secured by a series of debentures.	Date and amount of each issue of the series.		Dates of the resolutions authorizing the issue of the series.	Date of the Covering Deed.	General description of the property charged.	Names of the Trustees for the Debenture Holders.	Memoranda of satisfaction.	Amount or rate per cent. of the commission, allowance, or discount.	Receiver.	
							Date.	Amount.							Name and date of appointment.	Date of ceasing to act.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
			Rs.			Rs.		Rs.								

FORM XIII.

Notice of appointment of a Receiver.

THE INDIAN COMPANIES ACT, 1913.

(See section 118.)

Filing Fee Rs. 5.

Notice pursuant to section 118 as to the appointment of a
Receiver.

The _____ Company

Presented for filing by

To the Registrar of Joint Stock Companies.

I _____ of _____ hereby give notice that:—

*(1) I have obtained an order of the† dated _____ for
the appointment of Mr. _____ of _____ as Receiver of the
property of this Company.

*(2) On the _____ day of _____ I appointed Mr. _____ of
_____ as Receiver of the property of this Company under
the powers contained in an instrument‡
dated _____

Signature.

Date.

NOTES.—This notice must be filed within 15 days of the order or of the
appointment under the instrument.

The penalty for default is a fine not exceeding Rs. 50 for every day during
which the default continues.

*Of these two paragraphs strike out that which does not apply.

†Insert name of Court making the order.

‡Describe fully the instrument under which appointment is made.

FORM XV.

Notice to be given by a Receiver on ceasing to act as such.

THE INDIAN COMPANIES ACT, 1913.

(See section 119.)

Filing Fee Rs. 3.

Name of Company

Presented for filing by

To the Registrar of Joint Stock Companies.

I, the undersigned, of hereby give you
notice that I ceased to act as Receiver of the Company,
Limited, on the day of

Signature.

Date.

NOTE.—This notice must be filed by the Receiver on his ceasing to act as such. The penalty for default is a fine not exceeding Rs. 500.

FORM XVI.

Lists of documents presented for filing under section 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Presented for filing by

The* incorporated in† and which has a
place of business in British India, at

Presents for filing, pursuant to section 277 (1) of the Indian
Companies Act, 1913, the following documents :—

(A)‡

(B)‡

(C)‡

(D)‡

Signatures of the persons authorised }
under section 277 (1) (d) of the }
Indian Companies Act, 1913 (see }
below), or some other person in }
British India duly authorised by }
the Company. }

Date.

*Insert name of Company.

†Insert country of origin.

‡For the particulars of the documents required to be filed, details of which
are to be inserted here, see below.

NOTES.—Particulars of the documents required to be filed :—

[Section 277 (1) of the Indian Companies Act, 1913.]

(a) A certified copy of the charter, statutes or memorandum
and articles of the Company, or other instrument constituting or
defining the constitution of the Company, and, if the instrument is
not written in the English language, a certified translation
thereof;

(b) the full address of the registered or principal office of the
Company;

(c) a list of the Directors and Managers (if any) of the Com-
pany;

(d) the names and addresses of some one or more persons resi-
dent in British India authorised to accept on behalf of the Com-
pany service of process and any notices required to be served on
the Company.

[The copies and translations (if any) above mentioned must
be certified in the manner prescribed in these rules.]

NOTE.—See rules 7 and 8 pp. 324 and 325 *supra*.

FORM XVII.

Lists of Directors and Managers required by section 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

Return pursuant to section 277 (1) by—
 The* incorporated in † and which
 has a place of business in British India at of a list of its
 Directors and Manager.

Presented for filing by
 List of Directors of the

Names of Directors and Managers.	Addresses of Directors and Managers.	Descriptions or occupations of Directors and Managers

Signatures of the persons authorised
 under section 277 (1) (d) of the
 Indian Companies Act, 1913, or of
 some other person in British India
 duly authorised by the Company. }

Date.

*Insert name of Company.

†Insert country of origin.

FORM XVIII.

Return of persons authorised to accept service under section 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

Return pursuant to section 277 (1) by—

The* incorporated in† which has a place of
business in British India at of the names and addresses

of some one or more persons resident in British India authorised to accept on behalf of the Company service of process and any notices required to be served on the Company.

Presented for filing by

List of persons authorised to accept service on behalf of the Company.

Names of persons.	Addresses.	Descriptions or occupations.

Signatures of the persons authorised }
under section 277 (1) (d) of the }
Indian Companies Act, 1913, or of }
some other person in British India }
duly authorised by the Company. }

Date.

*Insert name of the Company.

†Insert country of origin.

FORM XIX.

Notice of alteration in Charter, etc., under section 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

*The

Notice of alteration in the charter, statutes, memorandum and articles, or other instrument constituting or defining the constitution of the Company.

Presented for filing by

Notice is hereby given, pursuant to section 277 (1) of the Indian Companies Act, 1913, by the* incorporated in† and which has a place of business in British India at of alteration in the‡ constituting or defining the constitution of the Company.

§ Certified copy of alteration with certified copy of new deed, if one has been executed, and certified translation of alteration or any deed, if not in the English language, must accompany this notice and be shortly referred to here.*

Signatures of the persons authorised
under section 277 (1) (d) of the
Indian Companies Act, 1913, or of
some other person in British India
duly authorised by the Company.

Date.

*Insert the name of Company

†Insert country of origin.

‡Insert 'charter,' 'statutes,' 'memorandum' or 'articles,' or other instrument as the case may be.

§ The copy and translation (if any) must be certified in the manner prescribed in these rules.

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

FORM XX.

Notice of alteration in the address of the registered or principal office of the Company under section 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

Presented for filing by

Notice is hereby given, pursuant to section 277 (1) of the Indian Companies Act, 1913, by the* incorporated int† and which has a place of business in British India at of alteration in the address of the registered or principal office of the Company.

Previous address.	Present address.	Date of change.

Signatures of the persons authorised }
under section 277 of the Indian }
Companies Act, 1913, or of some }
other person in British India duly }
authorised by the Company. }

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

*Insert name of Company.

†Insert country of origin.

FORM XXI.

Notice of alteration of Directors or Managers.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

Notice of alteration in the list of Directors or Managers of the*

Presented for filing by

Notice is hereby given, pursuant to section 277 (1) of the Indian Companies Act, 1913, by the* incorporated int† and which has a place of business in British India at of alteration in the list of Directors and Managers.

Names of Directors and Managers.	Addresses of Directors and Managers.	Descriptions or occupations of Directors and Managers.	Remarks as to the alteration.

Signatures of the persons authorised }
under section 277 (1) (d) of the }
Indian Companies Act, 1913, or of }
some other person in British India }
duly authorised by the Company. }

Date.

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

*Insert name of Company.

†Insert country of origin.

FORM XXII.

Notice of alteration in the names or addresses of persons authorised to accept process.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

The*

Notice of alteration in the names or addresses of the persons resident in British India authorised to accept on behalf of the Company service of process and any notices required to be served on the Company.

Presented for filing by

Notice is hereby given, pursuant to section 277 (1) of the Indian Companies Act, 1913, by the* incorporated in† and which has a place of business in British India at of alteration in the names or addresses of the persons resident in British India authorised to accept on behalf of the Company service of process and any notices required to be served on the Company.

‡Particulars of alteration.

Signatures of the persons authorised }
under section 277 (1) (d) of the }
Indian Companies Act, 1913, or of }
some other person in British India }
duly authorised by the Company. }

Date.

NOTE.—This notice must be filed within one month after the date on which particulars of the alteration could, in due course of post, and if despatched with due diligence, have been received in British India from the place where the Company is incorporated.

*Insert name of Company.

†Insert country of origin.

‡Where any persons are appointed, the full names, addresses, and descriptions of the persons so appointed should be given.

FORM XXIII.

Statement of affairs under section 277.

THE INDIAN COMPANIES ACT, 1913.

(See section 277.)

Filing Fee Rs. 5.

Statement in the form of a balance sheet by the*

Presented for filing by

Return pursuant to section 277 (3) (ii) of the Indian Companies Act, 1913, by—

The* incorporated in† and which has
 a place of business in British India at of a statement in the
 form of a balance sheet audited by the Company's auditors‡
 and made up to day of

Signatures of the persons authorised }
 under section 277 (1) (d) of the }
 Indian Companies Act, 1913, or of }
 some other person in British India }
 duly authorised by the Company. }

Date.

Section 277 (3) (i) of the Indian Companies Act, 1913, is as follows :—

“(3) Every Company to which this section applies shall in every year file with the Registrar of the Province in which the Company has its principal place of business—

(i) in a case where by the law for the time being in force of the country in which the Company is incorporated such Company is required to file with the public authority an annual balance sheet—a copy of that balance sheet : or

(ii) in a case where no such provision is made by the law, for the time being in force, of the country in which the Company is incorporated,—such a statement in the form of a balance sheet as such Company would if it were a Company formed and registered under this Act, be required to file in accordance with the provisions of this Act :

*Insert name of Company.

†Insert country of origin.

‡Insert names and addresses of auditors.

Provided that the Governor General in Council may, by notification in the *Gazette of India* subject to such restrictions and conditions, if any, as he may therein prescribe, exempt any such Company or any class of such Companies from this requirement."

The form of a balance sheet is prescribed in section 132 which is as follows :—

- "(1) The balance sheet shall contain a summary of the property and assets and of the capital and liabilities of the Company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.
- (2) The balance sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit."

NOTE.—By Government Orders, R. D., No. 2025 of the 21st February 1916 and No. 5865 of 21st May 1918, Forms Nos. I to III, VI, IX, X and XVI to XXIII were ordered to be printed for use by the public.

By G. O., R. D., No. 9354 of 28th September 1916, it was ordered that the Registrar should keep copies of the forms in stock in his office for sale.

(G. of I. Notn., Dept. of C. & I., No. 1271—23—C., dated 28th March 1914; G. R., R. D., No. 4024 of 30th April 1914.)

FORM XXIV.

Statutory Report.

THE INDIAN COMPANIES ACT, 1913.

(See section 77.)

Filing Fee Rs. 3.

Statutory report of the _____ Company, Limited, to be
certified and filed pursuant to section 77 (5).

Presented for filing by

The Directors' report to the members as follows :—

1. The total number of shares allotted is
2. Of the said shares—
 - (a) the number allotted, subject to payment therefor in cash is
 - (b) the number allotted as fully paid up is _____ the consideration for which they have been allotted is
 - (c) the number allotted as fully paid up otherwise than in cash to the extent of Rs. _____ per share is _____ the consideration for which they have been so allotted is
3. The total amount of cash received by the Company in respect of the shares issued, subject to payment therefor in cash is _____ (and on the shares issued partly for cash is _____); and the Company has received no cash in respect of the said shares issued as fully paid up.
4. The receipts and payments of the Company on capital account up to the _____ day of _____ last (i.e., a date within 7 days of the date of the report) are as follows :—

	Particulars of Receipts.	Particulars of payments.
<i>Preference.</i>		
From Shares Ordinary	
From Debentures	
From Debenture Stock	
From other sources	

NOTE.—Forms Nos. XXIV to XXVI were added and published at pages 1899 to 1902 on 21st December 1916, Part I of the *Sind Official Gazette* and at pages 2835 to 2838 on 28th December 1916, Part I, *Bombay Government Gazette*, under Notification No. 12516, dated 19th December 1916, Revenue Department.

5. The following are the particulars as to the balance remaining in hand as on the said day of :—

Cash in hand	..	..
Cash at the bank	..	..
Etc., etc.	..	..

6. The following is an account (or estimate) of the preliminary expenses of the Company :—

7. Names, addresses and descriptions of the Directors, auditors (if any), managers (if any) and Secretary of the Company.

DIRECTORS.

Name.	Address.	Description.

AUDITORS.

Name.	Address.	Description.

MANAGERS.

Name.	Address.	Description.

SECRETARY.

Name.	Address.	Description.

8. Particulars of any contract the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification :—

* * * * *

Dated the day of 19 .

We hereby certify this report.***

Two Directors.

We hereby certify that so much of the report as relates to the shares allotted by the Company and to the cash received in respect of such shares and to the receipts and payments of the Company or capital account is correct.

Date.

Auditors.

***To be certified by not less than two Directors or if the Company has less than two Directors, by the sole Director, and forwarded at least 10 days before the statutory meeting to every member and debenture-holder of the Company and to be filed with the Registrar forthwith after it is forwarded. Section 77, sub-sections (2), (3) and (5), and section 146.

FORM XXV.

Agreement to take Qualification shares in Proposed Company.

THE INDIAN COMPANIES ACT, 1913.

(See section 84.)

Filing Fee Rs. 3.

Contract by Directors to take and pay for qualification shares
in Limited, to be signed and filed pursuant to section
84 (1) (ii) of the Indian Companies Act, 1913.

Presented for filing by

We, the undersigned, having consented to act as Directors of
the , Limited, do each hereby agree to take from
the said Company and pay for the shares of
each, being the number of shares prescribed as the qualification
for the office of Director of the said Company.

Signature.	Address.	Description.

Dated

Witness to the above signatures.

NOTE.—This is a contract requiring a stamp of rupee one in accordance with Article 5, Schedule I, to the Indian Stamp Act, 1899, as amended by Bom. II of 1922. When there are more signatures than one a stamp of rupee one is required in respect of each signature.

BOMBAY HIGH COURT RULES.

RULES AND FORMS UNDER THE INDIAN COMPANIES
ACT, VII OF 1913, BOTH FOR THE HIGH COURT AND
THE COURTS SUBORDINATE THERETO.

PASSED BY THE HONOURABLE THE CHIEF JUSTICE AND THE JUDGES
OF HIS MAJESTY'S HIGH COURT OF JUDICATURE AT BOMBAY,
JANUARY 1930 (CAME INTO FORCE ON 1ST APRIL 1930).

[See Section 246 above, and note 83.]

PRELIMINARY.

650. The following shall be used as general headings in all
cases under these rules relating to companies
General headings. in the High Court of Judicature at Bombay
and in the Courts subordinate thereto.

A.—For proceedings before the Judge in Chambers or in
Court—

In the High Court of Judicature at Bombay (or in the District
Court of)

[as the case may be].

In the matter of the Indian Companies Act, VII of 1913, and
of the Company, Limited.

B.—For all advertisements, notices and other proceedings
not before the Judge in Chambers or in Court—

In the matter of the Indian Companies Act, VII of 1913, and
of the Company, Limited.

C.—In cases where it is required the words “and reduced”
shall be added to the description of the company.

651. In the High Court of Judicature at Bombay all petitions
shall be presented, applications made to, and
proceedings taken under the direction of, the
Judge who may be sitting in Chambers for
the time being: except in company winding
up business as provided in Rule 60*: Provided
nevertheless that the said Judge may refer any
matter so brought before him into Court, or to any other Judge
of the High Court. In the Mofussil of the Bombay Presidency all
petitions shall be presented, application made to, and proceedings

*Rule 60 provides that Company winding of business for disposal in Court
shall be heard before such Judges as the C. S. shall from time to time
appoint.

taken under the direction of, the Judge for the time being of the District Court within whose jurisdiction the registered office of the company may be situate.

RULES AS TO REDUCTION OF CAPITAL.

652. An order dispensing with the addition of the words "and reduced" in cases where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid up share capital, may be obtained in Chambers either on application *ex-parte* by summons before the presentation of the petition or at the time when the petition is presented.

653. In cases where the creditors of the company are not entitled, under the provisions of section 58 of the Indian Companies Act, 1913 (in these rules called "the Act,") to object to the proposed reduction, a certificate shall not be granted as is hereinafter provided by Rule 665 but the petition shall, if necessary, be answered and shall come on for hearing in the ordinary way. In all other cases the Rules hereinafter provided with reference to petitions to reduce capital shall be followed.

654. In cases in which the creditors are entitled to object to the proposed reduction, the petition shall not come on to be heard in Chambers until after the expiration of 14 clear days from the filing of such certificate as is mentioned in Rule 665 hereafter.

655. When any such petition as last aforesaid has been presented, application may be made *ex-parte*, by summons in Chambers to the sitting Judge in Chambers for directions as to the proceedings to be taken for settling the list of creditors entitled to object to the proposed reduction, and the Judge may thereupon fix the date with reference to which the list of such creditors is to be made out, pursuant to section 58 of the Act; and may, either at the same time or afterwards, as he shall think fit, give such directions as are mentioned in Rules 656, 657, 660, 661 and 662. The order upon such summons may be in Form No. 1 in the first schedule to these rules (hereinafter in these rules called "the first schedule hereto"), with such variations as the circumstances of the case may require.

656. Notice of the presentation of the petition shall be published at such times and in such newspapers in English and in the vernacular as the Judge

shall direct, so that the first insertion of such notice be made not less than one calendar month before the day of the date fixed, as mentioned in the last preceding Rule. Such notice may be in Form No. 2, with such variations as the circumstances of the case may require.

657. The company shall, within such time as the Judge shall direct, file in Court an affidavit made by some officer or officers of the company competent to make the same, verifying a list containing the names and addresses of the creditors of the company at the date fixed as mentioned in Rule 665 herein, and the nature and amounts due to them, respectively, or, in case of any debt payable on a contingency or not ascertained, or any claim admissible to proof in a winding up of the company, the value, so far as can be justly estimated, of such debt or claim.

658. The person making such affidavit shall state therein his belief that such list is correct, and that there was not at the date so fixed as aforesaid any debt or claim which, if that date was the commencement of the winding up of the company, would be admissible in proof against the company, except the debts set forth in such list, and shall state his means of knowledge of the matters deposed to in such affidavit. Such affidavit may be in Form No. 3, with such variations as the circumstances of the case may require.

659. Copies of such list, containing the names and addresses of the creditors, and the total amount due to them, but omitting the amounts due to them, respectively, or (as the Judge shall think fit) complete copies of such list shall be kept at the registered office of the company and at the offices of their attorneys and agents (if any), and any person desirous of inspecting the same may, at any time during the ordinary hours of business, inspect and take extracts from the same on payment of the sum of one rupee.

660. The company shall, within seven days after the filing of such affidavit, or such further time as the Judge may allow, send to each creditor whose name is entered in the said list a notice stating the amount of the proposed reduction of capital, and the amount or estimated value of the debt for which such creditor is entered in the said list, and the time (such time to be fixed by the Judge) within which where he claims to be a creditor for a larger amount, he must send in his name and address, and the particulars of his debt or claim and the name and address of his attorney (if any) to the attorney of the company; and such notice shall be sent through the post

in a registered letter addressed to each creditor at his last known address or place of abode, and may be in Form No. 4 with such variations as the circumstances of the case may require: Provided that where any of the creditors of the company are residing out of British India, or where the names of any of the creditors are not known to the company, the Judge may direct notice to be given to them by advertisement in such papers and at such times as he may think proper.

661. Notice of the list of creditors shall, after the filing of the affidavit mentioned in Rule 657 be published at such times and in such newspapers as the Judge shall direct. Every such notice shall state the amount of the proposed reduction of capital, and the places where the aforesaid list of the creditors may be inspected, and the time within which creditors of the company, whose names are entered on the said list, and who are desirous of being entered therein, must send in their names and addresses, and the particulars of their debts or claims, and the names and addresses of their attorneys (if any), to the attorney of the company; and such notice may be in Form No. 5 with such variations as the circumstances of the case may require.

662. The company shall, within such time as the Judge shall direct, file in Court an affidavit made by the persons to whom the particulars of debts or claims are by such notices as are mentioned in Rules 660 and 661 required to be sent in, stating the result of such notices, respectively, and verifying a list containing the names and addresses of the persons (if any), who shall have sent in the particulars of their debts or claims in pursuance of such notices, respectively, and the amounts of such debts or claims, and some competent officer or officers of the company shall join in such affidavit, and shall in such list distinguish which (if any) of such debts and claims are wholly, or as to any and what part thereof, admitted by the company, and which (if any) of such debts and claims are wholly, or as to any and what part thereof, disputed by the company. Such affidavit may be in Form No. 6 with such variations as the circumstances of the case may require.

663. Where any debt or claim, the particulars of which are so sent in, shall not be admitted by the company at its full amount, then and in every such case, unless the company are willing to set apart and appropriate in such manner as the Judge shall direct the full amount of such debt or claim, the company shall, where the Judge thinks fit so to direct, send to the creditor a notice that he is required to come in and prove such debt or claim, or such

part thereof as is not admitted by the company, by a day to be therein named, being not less than 14 clear days after such notice, and being the time appointed by the Judge for adjudicating upon such debts and claims, and such notice shall be sent in the manner mentioned in Rule 660 and may be in the Form No. 7 with such variations as the circumstances of the case may require.

664. Such creditors as come in to prove their debts or claims in pursuance of such notice as is mentioned in Rule 663 shall be allowed their costs of proof against the company and such costs shall be added to their debt; or the said creditors may be answerable for costs in the event of their proof not being established.

665. The result of the settlement of the list of creditors shall be stated in a certificate which shall be signed by the Judge, and such certificate shall state what debts or claims (if any) have been disallowed, and shall distinguish the debts or claims the full amount of which the company are willing to set apart and appropriate, and the debts or claims (if any) the amount of which has been fixed by inquiry adjudication in manner provided by section 59 of the Act, and the debts or claims (if any) the full amount of which is not admitted by the company, nor such as the company are willing to set apart and appropriate, and the amount of which has not been fixed by inquiry and adjudication as aforesaid: and shall show which of the creditors have consented in writing to the proposed reduction, and the total amount of the debts due to them, and the total amount of the debts or claims the payment of which has been secured in manner provided by section 59 of the Act and the persons to or by whom the same are due or claimed; but it shall not be necessary to show in such certificate the several amounts of the debts or claims of any persons who have consented in writing to the proposed reduction, or the payment of whose debts or claims has been secured as aforesaid.

666. After the expiration of eight clear days from the filing of such last-mentioned certificate the petition shall be set down for hearing in the ordinary course upon a præcipe addressed to the Prothonotary and Senior Master by the Petitioner or his attorney to have the petition set down for hearing.

667. Before the hearing of the petition, notices stating the day on which the same is appointed to be heard shall be published at such times and in such newspapers, in English and the vernacular, as the Judge shall direct. Such notices may be in the Form No. 8 with such variations as the circumstances of the case may require.

668. Any creditor settled on the said list whose debt or claim has not, before the hearing of the petition, been discharged or determined, or been secured in manner provided by section 59 of the Act, and who has not before the hearing consented in writing to the proposed reduction of capital, may, where he thinks fit, upon giving two clear days' notice to the attorney of the company of his intention so to do, appear at the hearing of the petition and oppose the application.

669. When a creditor who appears at the hearing under the last preceding rule is a creditor the full amount of whose debt or claim is not admitted by the company, and the validity of whose debt or claim has not been inquired into and adjudicated upon under section 59 of the Act, the costs of and occasioned by his appearance shall be dealt with as to the Court shall seem just, but in all other cases a creditor appearing, under the last preceding rule, shall be entitled to the cost of such appearance, unless the Court shall be of opinion that in the circumstances of the particular case his costs ought not to be allowed.

670. When the petition comes on to be heard, the Judge may, where he shall so think fit, give such directions as may seem proper with reference to the securing in manner mentioned in section 59 of the Act, the payment of the debts or claims of any creditors who do not consent to the proposed reduction; and the further hearing of the petition may, where the Judge shall think fit, be adjourned for the purpose of allowing any steps to be taken with reference to the securing in manner aforesaid the payment of such debts or claims.

671. Where the Judge makes an order confirming a reduction, such order shall give directions in what manner and in what newspapers, in English and the vernacular, and at what times, notice of the registration of the order and of such minute as is mentioned in section 61 of the Act, is to be published; and unless the Judge shall have dispensed altogether with the addition of the words "and reduced", or shall then dispense with the further use thereof, shall fix the date until which the words "and reduced" are to be deemed part of the name of the company as mentioned in section 57 of the Act.

672. Where the Judge thinks fit to require the company to publish the reasons for the reduction of its capital, or any other information in regard thereto or the causes which led to such reduction (as provided by section 65 of the Act) the same shall be advertised in such newspapers in English and in the vernacular, as the Judge shall think proper.

RULES AS TO WINDING UP.

673. Every petition for the winding up of any company by the Court, or subject to the supervision of the Court, after admission, shall be advertised in fourteen clear days before the hearing, as follows :—

Petition to wind up company.
Advertisement of petition.

(1) In the case of a company whose registered office, or where there shall be no such office, then whose principal or last known principal place of business, is or was, situate within the local limits of the Ordinary Original Civil Jurisdiction of the High Court at Bombay, once in the Bombay Government Gazette, and once at least in two English daily newspapers and two vernacular newspapers, published in Bombay, unless the Judge otherwise directs.

(2) In the case of any other company, once in the Bombay Government Gazette, and once at least in two local newspapers, or where there should be none such, in two newspapers circulating in the district when such registered office or principal, or last known principal, place of business, as the case may be, of such company, is or was situate, and also by proclamation affixed to the walls of the Court House, unless the Judge otherwise directs.

The advertisement shall state the day on which the petition was presented, and the name and address of the petitioner, and his attorney (if any). (Form No. 11.)

674. Every such petition shall, unless presented by the company, be served at the registered office (if any) of the company, and where there is no registered office, then at the principal or last known principal place of business of the company, where any such can be found, upon any member, officer, or servant of the company there, or in case no such member, officer, or servant can be found there, then by being left at such registered office or principal place of business, or by being served on such member or members of the company as the Judge may direct; and every petition for the winding up of a company subject to the supervision of the Court shall also be served upon the liquidator (if any) appointed for the purpose of winding up the affairs of the company. So also every petition for the compulsory winding up of a company shall be served upon the liquidator (if any) who may have been appointed to act in a voluntary winding up, or in a winding up under supervision, as the case may be.

675. Every petition for the winding up of any company by the Court, or subject to the supervision of the Court, shall be verified by an affidavit referring thereto, in Form No. 12—such affidavit shall be made by the

petitioner, or by one of the petitioners where more than one, or in case the petition is presented by the company, by some director, secretary, or other principal officer thereof, and shall be made and filed within four days after the petition is presented, and such affidavit shall be sufficient *prima facie* evidence of the statements in the petition. Where the petition is presented by a corporate body, other than the company itself, the affidavit shall be made by some director, secretary or other principal officer of such corporate body: Provided that where the petitioner is by reason of absence or for other good cause unable to verify such petition the same may be verified by any person duly authorized by him in that behalf or deemed by the Court competent to verify the same.

676. Every contributory or creditor of the company shall be entitled to be furnished by the attorney to the petitioner with a copy of the petition within twenty-four hours after requiring the same, on paying at the rate of 8 annas per folio of 90 words for such copy.

677. Where a petition to wind up has been admitted, the petitioner shall not be entitled to have it dismissed, where any creditor appears and proves his debt and is desirous of taking advantage of the petition.

678. Every order for the winding up of a company by the Court, or subject to its supervision, shall within twelve days after the date thereof be advertised by the petitioner once in the Bombay Government Gazette, and shall be served upon such person (if any), and in such manner, as the Court may direct. (Form No. 15.)

679. Within 10 days after any order for the winding up of a company has been sealed, a summons in order. Chambers shall be taken out by the petitioner to proceed with the winding up of the company, and in default thereof such summons may be taken out by any other person interested in the winding up to whom the Judge may think fit to give the conduct and prosecution of the said order, and in either case such summons shall be served upon all parties who may have appeared upon the hearing of the petition. Upon the return of such summons a time shall, where the Judge thinks fit, be fixed for the appointment of an official liquidator, and for the proof of debts and for the list of contributories to be brought in, and directions may be given as to the advertisement to be issued for all or any of such purposes, and generally as to the proceedings and the parties to attend thereon. The proceedings under the order shall be continued by adjournment, and where necessary, by further summons, and any such directions as aforesaid may be given,

added to, or varied, at any subsequent times as may be found necessary.

680. The Judge may appoint a person to the office of official liquidator without any previous advertisement or notice to any party, or may fix a time and place for the appointment of an official liquidator, and may appoint or reject any person nominated at such time and place, and appoint any person not so nominated.

681. Where a time and place are fixed for the appointment of an official liquidator, such time and place shall be advertised in such manner as the Judge shall direct, so that the first or only advertisement shall be published within fourteen days and not less than seven days before the day so fixed. (Form No. 16.)

682. Every official liquidator shall give security by entering into a recognizance with one or more sufficient sureties, or by depositing Government Securities in such sum as the Court may approve, provided that the Court may if it thinks fit dispense with such security. (Form No. 18.)

683. The official liquidator shall be appointed by order; and unless he shall have given security, or unless security shall have been dispensed with, a time shall be fixed by such order within which he is to do so, and the order shall fix the times or periods at which the official liquidator is to file his accounts of receipts and payments, and shall direct that all moneys to be received shall be paid into the Imperial Bank of India or branch thereof nearest to the principal place of business of the Company, or in the case of a District Court into that Court, immediately after the receipt thereof to the account of the official liquidator of the company, and an account shall be opened there accordingly, and if the money is payable into the Imperial Bank of India or branch thereof as aforesaid an office copy of the order shall be lodged at the Imperial Bank of India or such branch thereof as aforesaid. (Forms Nos. 20 and 24.)

684. Where an official liquidator has given security pursuant to the directions in the order appointing him, the same shall be certified by the Prothonotary and Senior Master of the High Court or the District Judge, as the case may be.

685. Except in cases where security has been dispensed with, the official liquidator shall on each occasion of passing his accounts, and also whensoever the Judge may so require, satisfy the Judge that his sureties are living, and resident in the Presidency of

Bombay, and have not been adjudged bankrupt or become insolvent, and in default thereof he may be required to enter into fresh security within such time as shall be directed.

686. Every appointment of an official liquidator shall be advertised in such manner as the Judge shall direct immediately after he has been appointed and has given security, if any required.
 Advertisement of appointment made.
 (Form No. 25.)

687. Where it is desired to appoint provisionally an official liquidator an application for that purpose may at any time after the presentation of the petition for winding up the company be made by petition without advertisement or notice to any person unless the Judge shall otherwise direct; and such provisional official liquidator may, if the Judge shall think fit, be appointed without security. (Form No. 21.)
 Provisional official liquidator.

688. In case of the death, removal, or resignation of an official liquidator, another shall be appointed in his room, in the same manner as directed in the case of a first appointment; and the proceedings for that purpose may be taken by such party interested as may be authorized by the Judge to take the same.
 Vacancy in office of official liquidator.

689. The official liquidator shall, with all convenient speed after he is appointed, proceed to make up, continue, complete, and rectify the books of account of the company; and shall provide and keep such books of account as shall be necessary, or as the Judge may direct, for the purposes aforesaid, and for showing the debts and credits of the company, including a ledger which shall contain the separate accounts of the contributories, and in which every contributory shall be debited from time to time with the amount payable by him in respect of any call to be made as provided by the Act and these Rules.
 Accounts.

690. The official liquidator shall further keep a book to be called the "Record Book," in which he shall record all minutes, all proceedings and resolutions passed at any meeting of creditors or contributories, and all such matters as may be necessary to give a correct view of his administration of the company's affairs.
 Official Record Book to be kept by liquidator.

691. The official liquidator shall be allowed in his accounts, or otherwise paid, remuneration calculated as follows :—
 Remuneration.

Scale of fees.

- (1) Upon the total assets, including produce of calls on contributories, realised or brought to credit, and not

being moneys, received and spent on carrying on the business—

On the first Rs. 10,000 or fraction thereof	..	5 per cent.
On the next Rs. 15,000	„ „	.. 3 „
On the next Rs. 25,000	„ „	.. 2½ „
On the next Rs. 50,000	„ „	.. 2 „
On any sums above Rs. 1,00,000	..	1 „

- (2) When the Official Liquidator collects, calls or realises property for debenture holders or other secured creditors, the same rate of fees as under No. (1) above to be paid out of the proceeds of such calls or property.
 - (3) When the Official Liquidator acts as Trustee under a scheme of arrangement, such remuneration, not exceeding the rate of fees under No. (1) above, as the Court shall allow.
 - (4) When the Official Liquidator performs any special duties, not provided for above, such amount as the Court on the application of the Official Liquidator may consider reasonable.
- He shall also be allowed, unless the Judge otherwise directs, a sum sufficient to cover the expenses of the employment of the assistants or clerks and his office rent, stationery, etc.
- (a) The rate of remuneration of a liquidator shall in no case exceed the amount specified in the scale of fees given above.
 - (b) No Officer of the Court acting as liquidator shall settle his remuneration with the attorneys for the parties concerned or with the parties if in person.

692. The accounts of the official liquidator shall be filed at such times as may from time to time be ordered by the Judge, and shall, upon notice to such persons (if any) as the Judge shall direct, be audited, passed or verified as may be ordered.

693. Where joint official liquidators are appointed the above rules relating to official liquidators shall be applicable *mutatis mutandis*.

694. For the purpose of ascertaining the debts and claims due from the company and of requiring the creditors to come in and prove their debts or claims, an advertisement shall be issued at such time as the Judge shall direct, and such advertisement shall fix a time for the creditors to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their attorneys (if any), to the official

liquidator, and appoint a day for adjudicating thereon. (Form No. 26.)

695. The creditors need not attend upon the adjudication, nor prove their debts or claims, unless they are required to do so by notice from the official liquidator, but upon such notice being given, they are to come in, and prove their debts or claims within a time to be therein specified.

696. The official liquidator shall investigate the debts and claims sent in to him, and ascertain, so far as he is able, which of such debts and claims are justly due from the company and he shall make out and file in Court a list of all the debts and claims sent in to him, distinguishing which of the debts and claims, or parts of debts and claims, so claimed, are, in his opinion, justly due and proper to be allowed without further evidence and which of them in his opinion ought to be proved by the creditors, and he shall make and file, prior to the time appointed for adjudication, an affidavit setting forth which of the debts and claims in his opinion are justly due and proper to be allowed without further evidence and stating his belief that such debts and claims are justly due and proper to be allowed, and the reasons for such belief. (Forms Nos. 27 and 28.)

697. At the time appointed for adjudicating upon the debts and claims, or at any adjournment thereof, the Judge may either allow the debts and claims upon the affidavit of the official liquidator, or may require the same, or any of them, to be proved by the claimants, and adjourn the adjudication thereon to a time to be then fixed, and the official liquidator shall give notice to the creditors whose debts or claims have been so allowed of such allowance in such manner as the Judge may direct.

698. The official liquidator shall give notice to the creditors whose debts or claims have not been allowed upon his affidavit that they are required to come in and prove the same by a day to be therein named, being not less than four days after such notice, and to attend at a time to be therein named, being the time appointed by the advertisement or by adjournment (as the case may be) for adjudicating upon such debts and claims. (Forms Nos. 30 and 31.)

699. The value of all debts and claims against the company shall, so far as is possible, be estimated according to the value thereof at the date of the order to wind up the company.

700. Creditors whose debts and claims carry interest and are allowed shall be entitled to receive dividends upon what was due for principal and interest at the date of the winding up. In the event of there being a surplus the dividends payable to such creditors

shall be applied firstly, towards payment of the interest, and secondly, in reduction of the principal due to them.

Interest may be allowed on all claims in respect of which it is recoverable as damages.

701. Such creditors as come in and prove their debts or claims pursuant to notice from the official liquidator
 Cost of proof. shall be allowed their costs of proof which will be added to the debt.

702. The result of the adjudication upon debts and claims shall be in the form of certificate to be signed by
 Judge's certificate of debts. the Judge from time to time as convenience may require, and such certificate shall state whether the debts or claims are allowed or disallowed and whether allowed as against any particular assets, or in any other qualified or special manner. (Forms Nos. 32 and 33.)

703. The official liquidator shall, with all convenient speed
 List of contributories. after his appointment, or at such time as the Judge shall direct, make out and file in Court a list of the contributories of the company; and such list shall be verified by the affidavit of the official liquidator, and shall, so far as is practicable, state the respective addresses of, and the number of shares or extent of interest to be attributed to, each such contributory and distinguish the several classes of contributories. And such list may, from time to time, by leave of the Judge, be varied or added to by the official liquidator. (Forms Nos. 34, 35, 39 and 40.)

704. Upon the list of contributories being filed in Court, the official liquidator shall obtain an appointment
 Notice of appointment to settle. for the Judge to settle the same and shall give notice in writing of such appointment to every person included in such list, stating in what character, and for what number of shares or interest such person is included in such list, and in case any variation or addition to such list shall at any time be made by the official liquidator, a similar notice in writing shall be given to every person to whom such variation or addition applies. All such notices shall be served four clear days before the day appointed to settle such list or such variation or addition. (Forms Nos. 36 and 37.)

705. A list of contributories as the same shall have been settled by the Judge shall from time to time (when
 Judge's certificates. the Judge shall so order) be drawn up by the official liquidator and signed by the Judge for the purpose of stating the result of such settlement down to any particular time, or as to any particular person or stating any variation of the list. (Forms Nos. 41 and 42.)

706. Any moveable or immoveable property belonging to the company may be sold with the approbation of the Judge in the same manner as in the case of a sale under a decree or order of the Court in a suit, or, if the Judge shall so direct, by the official liquidator, in which case the conditions or contracts of sale shall be settled and approve of by the Judge unless he shall otherwise direct; and unless on account of the small amount of the purchase-money or other cause, it shall, be thought proper that the purchase-money shall be paid to him, all conditions and contracts of sale shall provide that the purchase-money shall be paid by the respective purchasers into the Imperial Bank of India or the branch thereof nearest to the principal place of business of the company to the account of the official liquidator of the company, or in the case of a District Court, into that Court.

707. Every application to the Judge to make any call on the contributories or any of them, for any purpose authorised by the said Act, shall be made by summons in Chambers, stating the proposed amount of such call: and such summons shall be served four clear days at the least before the day appointed for making the call on every contributory proposed to be included in such call, or if the Judge shall so direct, notice of such intended call may be given by advertisement or such other public notification as the Judge in his discretion may think sufficient. (Forms Nos. 43, 44 and 45.)

708. When the official liquidator is authorised by order to make a call on the contributories he shall file in Court a document in Form 47 with such variations as circumstances may require making the call.

709. The payment of the amount due from each contributory on a call may be enforced by order of the Court, to be made in Chambers on summons by the official liquidator, and may be executed as if it were a decree for money. (Forms Nos. 48 and 49.)

710. When any order for a call has been made a copy thereof shall forthwith be served upon each of the contributories included in such call, together with a notice from the official liquidator specifying the amount or balance due from such contributory, having regard to the provisions of the Act in respect to such call; but such order need not be advertised unless for any special reason the Judge shall so direct. (Forms Nos. 46 and 47.)

711. Where any official liquidator shall not pay all the moneys received by him into the Imperial Bank of India or the branch thereof nearest to the principal place of business of the Company, or in the case of a District Court into that

Payment in of
moneys and deposit of
securities. Default
of payment into Bank.

Court, to the account of the official liquidator of the company, within seven days next after the receipt thereof, unless the Judge shall have otherwise directed, such official liquidator shall be charged in his account with rupees ten for every thousand rupees and a proportionate sum for any larger amount retained in his hands beyond such period for every seven days during which the same shall have been so retained and the Judge may, for any such retention, disallow the salary or remuneration of such official liquidator.

712. All bills, hundis, notes and other securities payable to the company, or to the official liquidator thereof, shall, unless the Judge otherwise directs, as soon as they shall come to the hands of such official liquidator, be deposited by him in the Imperial Bank of India or the Branch thereof nearest to the principal place of business of the company, or in the case of a District Court in that Court, for the purpose of being presented for acceptance and payment, or for payment only, as the case may be.

713. All orders for payment of calls, balances or other moneys due from any contributory or other person shall direct the same to be paid into the Imperial Bank of India or the branch thereof as aforesaid, or in the case of a District Court into that Court, to the account of the official liquidator of the company unless, on account of the smallness of the amount or other cause, it shall be thought proper to direct payment thereof to the official liquidator; provided that where any such order has been made directing payment of a specific sum into the Imperial Bank of India or a branch thereof, or in the case of a District Court into that Court, as aforesaid, in case it shall be thought proper for the purpose of enabling the official liquidator to issue execution or take other proceedings to enforce the payment thereof, or for any other reason, and order may, either before service of such former order or after the time thereby fixed for payment, be made, without notice for the payment of the same sum to the official liquidator.

714. At the time of the service of any order for payment into the Imperial Bank of India or a branch thereof or into a District Court as aforesaid the official liquidator shall give to the party served a notice to the purport or effect set forth in Form No. 50 for the purpose of informing him how the payment is to be made, and before the time fixed for such payment the official liquidator shall furnish the cashier of the Imperial Bank of India or the Branch thereof as aforesaid, or in the case of a District Court the Nazir thereof, with a certificate to the purport or effect set forth in Form No. 51 to be signed by such cashier or Nazir as the case may be and delivered to the party paying in the money therein mentioned.

715. For the purpose of enforcing any order for payment of money into the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court into that Court, an affidavit of the official liquidator to the purport or effect set forth in Form No. 53 shall be sufficient evidence of the non-payment thereof.

716. All moneys, bills, hundis, notes and other securities paid and delivered into the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court into that Court, shall be placed to the credit or account of the official liquidator of the company; and orders for any such payment and delivery shall direct the same accordingly. (Form No. 24.)

717. All bills, hundis, notes and other securities delivered into the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court into that Court, shall be delivered out upon a request signed by the official liquidator and such other person, if any, as the Judge may direct and the moneys placed to the account of the official liquidator shall be paid out upon such cheques or order signed by the official liquidator and such other person if any, as the Judge may direct. (Form No. 24.)

718. All or any part of the money for the time being standing to the credit of the account of the official liquidator at the Imperial Bank of India or a branch thereof as aforesaid, or in the case of a District Court in that Court, and not immediately required for the purposes of winding up may be invested in the purchase of Government Promissory Notes in the name of the official liquidator. All investments of moneys in the Imperial Bank of India or a branch thereof as aforesaid shall be made by the Imperial Bank of India upon a request signed by the official liquidator and countersigned by the Judge or one of the Judges of the Court unless the Judge otherwise directs; and all investments of moneys standing to the credit of the account of the official liquidator in a District Court shall be made upon a request signed by the official liquidator and addressed to such Court: such request, respectively, shall be sufficient authority for debiting the account with the purchase-money; and such Government notes shall be retained by or deposited with the Imperial Bank of India or by or with the said District Court in the name and on behalf of the official liquidator, and such notes shall not afterwards be sold or transferred or otherwise dealt with except upon a direction for that purpose signed by the official liquidator, and countersigned by the Judge or one of the Judges of the Court or under an order made by the Court. (Forms Nos. 54 and 55.)

719. Subject to any special order which the Judge may make, all dividends and interest to accrue due from
 Receipt of dividends. any such notes shall from time to time be received by the Imperial Bank of India under a power of attorney to be executed by the official liquidator, and placed to the credit of the account of such official liquidator, and when any of such notes shall become payable the same shall be renewed or the principal and interest due thereon be received and placed to the credit of the account of the official liquidator.

720. Where the Court shall direct a meeting of the creditors or contributories of the company to be summoned under section 239 of the Act, or where
 Meetings of creditors or contributories. Notice. the official liquidator, either of his own motion or at the direction or request of the creditors or contributories under section 183 of the Act, shall summon such a meeting, he shall give notice in writing, seven clear days before the day appointed for such meeting, to every creditor or contributory of the time and place appointed for such meeting, and of the matter upon which it is desired to ascertain the wishes of the creditors or contributories, or where the Court shall so direct, such notice may be given by advertisement in the daily papers, in which case the object of the meeting need not be stated and it shall not be necessary to insert such advertisement in the *Bombay Government Gazette*. (Form No. 56.)

721. The direction of the Judge for any meeting of creditors or contributories under section 239 of the Act, and the appointment of a person to act as
 Memorandum as to calling Meeting. Chairman of any such meeting shall be testified by a memorandum signed by the Judge or one of the Judges of the Court or by the Prothonotary and Senior Master under the direction of the Judge. In the case of a meeting summoned by the official liquidator under section 183 of the Act he, or some one nominated by him, shall be Chairman. (Form No. 57.)

722. The votes of the creditors or contributories of the company at any meeting summoned in accordance with rule 720 may be given either personally or by proxy; but no creditor shall appoint a proxy who is not a creditor of the company, whose debt or claim has been allowed, and no contributory shall appoint a proxy who is not a contributory of the company. (Form No. 58.)
 Votes. Chairman's report.

The Chairman of a meeting summoned by the direction of the Court shall report the result thereof to the Court. (Form No. 59.)

723. The sanction of the Judge to the drawing, accepting, making and endorsing of any bill of exchange, hundi or promissory note by any official liquidator, shall be testified by a memorandum on
 Sanction to bills of exchange, etc.

such bill of exchange hundi or promissory note signed by the Judge or one of the Judges of the Court, or by the Prothonotary and Senior Master under the direction of the Judge (Form No. 60.)

724. Every application for the sanction of the Judge to a compromise with any contributory or other person indebted to the company shall be supported by the affidavit of the official liquidator stating that he has investigated the affairs of such contributory or person, and believes that the proposed compromise will be beneficial to the company, and giving his reasons for such belief; and the sanction of the Judge thereto shall be testified by a memorandum signed by the Judge or one of the Judges of the Court or by the Prothonotary and Senior Master under the direction of the Judge, on the agreement of compromise, unless any party shall desire to appeal from the decision of the Judge, in which case an order shall be drawn up for that purpose. (Forms Nos. 61 and 62.)

725. The direction or sanction of the Judge for any proceeding or act to be taken or done by the official liquidator under the powers conferred on him by section 179 shall (subject to the provisions of section 180 of the Act) be obtained upon application in writing and an order shall be drawn up thereon, unless the Judge shall otherwise direct. (Form No. 63.)

726. Every application under sections 183 (3), 183 (5), 207 (viii), 207 (ix), 212 (2) and 215 of the Act shall be made by petition or, if the Court shall so direct, by summons in Chambers, and every application under section 237 of the Act shall be made by petition.

727. When an advertisement is required for any purpose, except where otherwise directed by these Rules, the advertisement shall be inserted once in the *Bombay Government Gazette* and in such other newspaper or newspapers, and for such number of times as may be directed. The Judge, however, may, in such cases as he shall think fit, dispense with any advertisement required by these Rules.

728. Where an order shall have been made for the winding up of any company, any person intending to use any affidavit in any proceeding under such order, shall file the same in Court, and serve a copy thereof on the official liquidator. The person other than the official liquidator filing the affidavit shall not be required to take an office copy thereof, but an office copy thereof shall be taken by the official liquidator, and he shall produce the same at the

hearing of any application or proceeding upon which it is intended to be used unless the Judge shall otherwise direct.

729. A Register shall be kept by the Court of all proceedings in each matter in a book set apart for that purpose.
Register of proceedings.

730. All the above Rules relating to official liquidators shall, so far as the same are applicable and subject to the directions of the Court or the Judge in each case, apply to provisional liquidators.
Provisional official liquidator.

731. No order to the prejudice of contributories or creditors shall be made *ex-parte* on the application of the official liquidator and every person for the time being on the list of contributories of the company filed in Court by the official liquidator, and every person having a debt or claim against the company allowed by the Judge shall be at liberty at his own expense to attend the proceedings before the Judge, and shall be entitled upon payment of the costs occasioned thereby to have notice of all such proceedings as he shall by written request desire to have notice of, but if the Judge shall be of opinion that the attendance of any such person upon any proceeding as occasioned any additional costs which ought not to be borne by the funds of the company he may direct such costs, or a gross sum in lieu thereof, to be paid by such person, and such person shall not be entitled to attend any further proceedings until he has paid the same.
Attendance and appearance of parties.

732. The Judge may from time to time appoint any one or more of the contributories or creditors as he thinks fit to represent before him at the expense of the company all or any class of the contributories or creditors upon any question as to a compromise with any of the contributories or creditors, or in and about any other proceedings before him relating to the winding up of the company, and may remove the person or persons so appointed. In case more than one person shall be so appointed they shall unite in employing the same attorney to represent them.
Appointment of representative party.

733. No contributory or creditor shall be entitled to attend any proceedings before the Judge unless and until he has filed an appearance with the Prothonotary and Senior Master. A book to be called the Appearance Book shall be kept in which all such appearances shall be entered. (Form No. 64.)
Appearance to be filed before attendance.

734. Services upon contributories and creditors shall be effected, except where personal service is required, by sending the notice, or a copy of the petition, summons or order or other document, through the post in a registered letter, addressed to the attorney (if any) of the party to be served or otherwise to the party himself, if a
Service of summonses, notices, etc. Service how effected.

contributor, to his last known address or place of abode, and if a creditor, to the address given by him pursuant to Rule 694 and such notice or copy petition, summons, order, or other document shall be considered as served at the time the same ought to be delivered in due course of delivery by the Post Office, and notwithstanding the same may be returned by the Post Office.

735. No service under these Rules shall be deemed invalid by reason that any name other than the surname of the person (if the said person be a European) or any name other than the final name ordinarily used by the person (being other than a European) of whom service is sought to be made has been omitted, or designated by initial letters, in the list of contributories or in the petition, summons, order, notice, or other document, wherein the name of of such contributory or creditor is contained, provided the Court is satisfied that such service is in other respects sufficient.

736. Applications for the transfer of winding up proceedings either from the High Court to a District Court, or from one District Court to another, as the case may be, shall be made by petition which shall be filed in Court. Upon the filing of such petition as aforesaid the Judge shall give such orders and directions and direct that an advertisement thereof be made as the nature of the case may require, and shall fix a date for the hearing of such petition.

737. Where the petition in the last preceding Rule has been heard and an order thereon passed by the Court, the Court shall thereupon make an order for transferring the winding up proceedings. (Forms Nos. 65 and 66.)

738. Upon the termination of the proceedings for the winding up of any company, a balance-sheet shall be brought in by the official liquidator of his receipts and payments, and verified by his affidavit; and the official liquidator shall pass his final account, and the balance (if any) due on the final account shall be certified by the Judge, and upon payment by the official liquidator of the balance (if any) in such manner as the Judge shall direct, the recognizances entered into by the official liquidator and his sureties may be vacated. (Form No. 68.)

739. Where the official liquidator has passed his final account, and the balance (if any) due thereon has been paid in such manner as the Judge shall direct, the official liquidator shall, in case the company has not been already dissolved, apply to the Judge for an order that the company be dissolved from the date of such order. (Form No. 69.)

740. When the proceedings for winding up any company have been completed, the file of proceedings and the book containing the official liquidator's account shall be deposited in the records of the Court.

Deposit of proceedings in Court.

741. The liquidator in a voluntary winding up shall, within 21 days after his appointment, file with the Registrar of Joint Stock Companies a notice of his appointment as required by section 208 of the Act. (Form No. 70.)

Notice by liquidator in voluntary winding up of his appointment.

742. The statements with respect to the proceedings in and position of the liquidation of a company, the winding up of which is not concluded within a year after its commencement, shall be filed with the Registrar twice in every year as follows :—

Times for filing liquidator's statements, and regulations applicable thereto.

(1) The first statement, commencing at the date when a liquidator was first appointed and brought down to the end of 12 months from the commencement of the winding up, shall be filed within 30 days from the expiration of such 12 months; and the subsequent statements shall be filed at intervals of half a year, each statement being brought down to the end of the half year for which it is filed.

(2) Form No. 71 with such variations as the circumstances may require, shall be used.

(3) Every statement shall be verified by affidavit in Form No. 72.

743. The statements required by section 216 of the Act to be laid before the general meetings of a company, the voluntary winding up of which continues for more than one year, shall, with such variations as circumstances may require, be in the same form and contain the same particulars as the statements mentioned in Rule 742.

Liquidator's statements in voluntary liquidations.

744. The Forms set forth in the first schedule, with such variations as the circumstances of each case may require, may be used for the respective purposes mentioned in such schedule.

Forms.

745. The attorney, or, in Courts other than the High Court, the vakeel, of the official liquidator shall conduct all such proceedings as are ordinarily conducted by attorneys of the High Court, or by vakeels in such other Courts; and where the attendance of his attorney or vakeel is required on any proceedings in Court or Chambers, the official liquidator need not attend in person, except

Duties of attorney of official liquidator.

in cases where his presence is necessary in addition to that of his attorney or vakeel or the Court shall direct him to attend.

746. Attorneys and vakeels shall be entitled to charge and be allowed the fees set forth and referred to in the second schedule to these rules (so far as the same are applicable) unless the Court shall otherwise specially direct: Provided that rule 561 shall not be applicable to any bill of costs taxed in a Court Subordinate to the High Court.

747. Where an order is made by the High Court in Court or in Chambers for payment of any costs, the order shall direct the taxation thereof by the Taxing officers; except in cases where a gross sum in lieu of taxed costs is fixed by the order.

748. The power of the Court or a Judge to enlarge or abridge the time for doing any act, or taking any proceeding, to adjourn, or review any proceeding, and to give any direction as to the course of proceeding, is unaffected by these rules.

749. All accounts, lists, notices and other documents directed by these Rules to be filed in Court shall be filed in the office of the Prothonotary and Senior Master of the Court.

750. In cases not provided for by these rules or by rules of procedure laid down in the Act, the practice and procedure of the High Court of Justice in England in matters relating to companies shall be followed so far as they are applicable and not inconsistent with these rules and the Act.

751. In all cases in which by law a person may make a solemn affirmation instead of an affidavit, the word affidavit in these rules shall be deemed and taken to mean a solemn affirmation; and in proceedings in Courts, other than the High Court on its original jurisdiction side, the word attorney in these rules shall be deemed and taken to mean a vakeel.

752. These Rules apply to proceedings under the Indian Companies Act, 1913; as to winding up proceedings continued under the Indian Companies Act, 1882, in pursuance of section 284 of the Act, the same shall be regulated by the rules made under the Indian Companies Act, 1882, which rules, for the purpose of such winding up, shall be deemed to remain in full force.

INDIAN COMPANIES (B. H. C. RULES).

FORMS (COMPANIES RULES).

FIRST SCHEDULE.

FORMS IN PROCEEDINGS FOR REDUCTION OF CAPITAL.

1. Form of order (Rule 655).
2. Advertisement, presentation of petition (Rule 656).
3. Affidavit verifying list of creditors (Rule 658).
4. Notice to creditor (Rule 660).
5. Advertisement of list of creditors (Rule 661).
6. Affidavit of list of persons who have sent in claims (Rule 662).
7. Notice to creditors to come in and prove debt (Rule 666).
8. Advertisement of day fixed for hearing petition (Rule 667).
9. Order confirming reduction (Rule 671).
10. Order sanctioning scheme of arrangement

FORMS IN WINDING UP PROCEEDINGS.

11. Form of advertisement of petition to wind up (Rule 673).
12. Affidavit verifying petition (Rule 675).
13. Form of order for winding up by the Court (Secs. 162 and 170 of the Act).
14. Form of order for winding up, subject to supervision (Secs. 221 and 222 of the Act).
15. Advertisement of order to wind up (Rule 678).
16. Advertisement of time and place fixed for the appointment of official liquidator (Rule 681).
17. Proposal for appointment of official liquidator (and sureties) when form No. 16 has been issued.
18. Recognizance of official liquidator and sureties (Rule 682).
19. Affidavit of sureties (Rule 682).
20. Order appointing official liquidator (Rules 682 and 683).
21. Order appointing a provisional official liquidator (Rules 682, 683, 687 and 730).
22. Sanction of appointment of attorney or vakeel to official liquidator and appointment (Sec. 181 of the Act).
23. Order for payment of money or delivery of books, etc., to the official liquidator (See secs. 185 and 187 of the Act).

24. Direction to open account at the Imperial Bank of India (Rules 683, 706, 711, 716 and 717).
25. Advertisement of appointment of official liquidator (Rule 686).
26. Advertisement for creditors (Rule 694).
27. Affidavit of official liquidator as to debts and claims (Rule 696).
28. Exhibit referred to in affidavit (No. 27).
29. Notice to creditors of allowance of debt (Rule 697).
30. Notice to creditors to come in and prove their debts (Rule 698).
31. Affidavit of creditor in proof of debt (Rule 698).
32. Settlement by the Judge of debts and claims (Rule 702).
33. Notice to creditor to attend to receive debt (Rule 702).
34. Affidavit in support of list of contributories (Rule 703).
35. List of contributories referred to in form No. 34 (Rule 703).
36. Notice to contributories of appointment to settle list of contributories (Rule 704).
37. Affidavit of service of notice (Rule 704).
38. The schedule referred to in form No. 37.
39. Affidavit in support of supplemental list of contributories (Rule 703).
40. Supplemental list of contributories referred to in form No. 39.
41. Settlement by the Judge of list of contributories (Rule 705).
42. Order on application to vary list (Rule 705).
43. Affidavit of official liquidator in support of proposal for call (Rule 707).
44. Summons for intended call (Rule 707).
45. Advertisement of intended call (Rule 707).
46. General order for a call (Rule 710).
47. Notice to be served with the general order for a call (Rule 710).
48. Affidavit in support of application for order for payment of call due from contributory (Rule 709).
49. Order for payment of call due from contributory (Rule 709).
50. Notice to be endorsed on or served with every order directing payment of money into the Imperial Bank of India or into Court (Rule 714).
51. Certificate of payment of money into the Imperial Bank of India or into Court.

52. Affidavit of service of order for payment of call (Rule 709).
53. Affidavit of non-payment of money by order directed to be paid into the Imperial Bank of India or into Court (Rule 715).
54. Request to invest cash in Government promissory notes (Rule 718).
55. Request to sanction investment of cash in Government promissory notes to the District Court (Rule 718).
56. Notice (or advertisement) of meeting of creditors or contributories (Rule 720).
57. Memorandum of appointment of a person to act as chairman at meeting of creditors or contributories (Rule 721).
58. Appointment of proxy to vote at meeting of creditors or contributories (Rule 722).
59. Chairman's report of result of meeting of creditors or contributories (Rules 720, 721 and 722).
60. Memorandum of sanction of Judge to accepting bills of exchange (Rule 723).
61. Memorandum of agreement of compromise with a contributory (Rule 724).
62. Memorandum of sanction of Judge to agreement of compromise.
63. Order or memorandum of the sanction of the Court for certain acts to be done by the official liquidator (Rule 725).
64. Appearance Book (Rule 733).
65. Form of order transferring winding up proceedings from High Court to a District Court (Rule 737).
66. Form of order transferring winding up proceedings from one District Court to another (Rule 737).
67. Summons for persons to attend at Chambers to be examined (Sec. 195 of the Act).
68. Declaration of the company being completely wound up, and of the official liquidator having passed his final account (Rule 738).
69. Order to dissolve the company (Rule 739).
70. Notice by liquidator in voluntary winding up of his appointment (Rule 741).
71. Liquidator's statement of account (Rule 742).
72. Affidavit verifying statement of liquidator's account (Rule 742).

THE FIRST SCHEDULE (B. H. C. Rules).

FORMS IN PROCEEDINGS FOR REDUCTION OF CAPITAL.

No. 1.—*Form of Order.*

(RULE 655.)

[For general heading, see rule 650.]

Upon the application of the petitioners by summons, dated and upon hearing the attorneys for the petitioners, and on reading the petition on the day of preferred unto the Honourable the Chief Justice and the Judges of the said High Court. It is ordered that an enquiry be made what are the debts, claims and liabilities of or affecting the said company on the day of 19 , and that notice of the presentation of the said petition be inserted in () on the day of and () and that a list of the persons who are creditors of the company on the said day of and the affidavit verifying the same be filed in the office of the Prothonotary of the said High Court on or before the day of .

And it is further ordered that any creditor whose name does not appear in such list or who claims to be a creditor for a larger amount than that for which he is entered in such list shall on or before the day of send in his name and address and the particulars of his debt or claim and the name and address of his attorney (if any) to the attorney of the company and it is further ordered that the notice of the day so fixed as last aforementioned shall be given in writing by registered post to every creditor whose name appears in such list and such notice shall be inserted in on the day of and in on the day of and it is further ordered that the attorney of the company and some competent officer or officers of the company do on or before the day of make and file an affidavit stating the result of such notices and verifying the names and addresses of the persons (if any) who shall have sent in particulars of their debts and claims in pursuance of such notices respectively and the amounts of such debts or claims distinguishing which, if any, of such debts or claims are wholly or as to any and what part thereof admitted by the company and which (if any) of such debts and claims are wholly or as to any and what part thereof admitted by the company.

No. 2.—(See rule 656.) (B. H. C. Rules.)

[For general heading, see rule 650.]

Notice is hereby given that a petition for confirming a resolution reducing the capital of the above company from rupees to rupees was on the day of presented to the Honourable and is now pending; and that the list of creditors of the company is to be made out as for the day of 19

C. & D., attorneys to the company.

No. 3.—*Affidavit verifying list of creditors.*

(RULE 658.)

[For general heading, see rule 650.]

I, A, B., of etc., make oath and say as follows :—

1. The paper writing now produced and shown to me, and marked with the letter A, contains a list of the creditors of and persons having claims upon the said company on the day of 19 (the date fixed by order in this matter dated) together with their respective addresses, and the nature and amount of their respective debts or claims, and such list is, to the best of my knowledge, information and belief, a true and accurate list of such creditors and persons having claims on the day aforesaid.

2. To the best of my knowledge and belief there was not, at the date aforesaid, any debt or claim which, if such date were the commencement of the winding up of the said company, would be admissible in proof against the said company other than and except the debts set forth in the said list. I am enabled to make this statement from facts within my knowledge as the of the said company, and from information derived upon investigation of the affairs and the books, documents and papers of the said company. Sworn, etc.

List of creditors referred to in the last form.

A.

In the matter, etc.

This list of creditors marked A was produced and shown to A. B., and is the same list of creditors as is referred to in his affidavit sworn before me this day of 19 .

X. Y., etc.

Names, addresses and descriptions of the creditors.	Nature of debt or claim.	Amount of debt or claim.

No. 4.—(See rule 660.)

[For general heading, see rule 650.]

To Mr.

You are requested to take notice that a petition has been presented to the Court of , to confirm a special resolution of the above company for reducing its capital to rupees , and that in the list of persons admitted by the company to have been on the day of creditors of the company, your name is entered as a creditor (*here state amount of the debt or nature of the claim*).

If you claim to have been on the last-mentioned day a creditor to a larger amount than is stated above you must on or before the day of send the particulars of your claim and the name and address of your attorney (if any) to the undersigned at . In default of your so doing the above entry in the list of creditors will, in all proceedings under the above application to reduce the capital of the company, be treated as correct.

Dated the day of 19 .

A. B., —

Attorney for the said company.

No. 5.—(See rule 661.)

[For general heading, see rule 650.]

Notice is hereby given that a petition has been presented to the High Court of Judicature at Bombay for confirming a resolution of the above company for reducing its capital from rupees to rupees . A list of the persons admitted to have been creditors of the company on the day of 19 may be inspected at the offices of the company at , or at the office of , at any time during usual business hours on payment of the charge of Re. 1.

Any person who claims to have been on the last-mentioned day and still to be a creditor of the company, and who is not entered on the said list and claims to be so entered, must on or before the day of send in his name and address, and the particulars of his claim, and the name and address of his attorneys (if any) to the undersigned at or in default thereof he will be precluded from objecting to the proposed reduction of capital.

Dated this day of 19 .

A. B.,

Attorney for the said company.

No. 6.—(Rule 662.)

[For general heading, see rule 650.]

We, C. D. of etc. (the secretary or agent of the said company), E. F., of etc. (the attorney of the said company), and A. B., of etc. (the managing director of the said company), severally make oath and say as follows :—

I the said C. D., for myself, say as follows :

1. I did, on the day of 19 in the manner (Rule 660). hereinafter mentioned serve a true copy of the notice now produced and shown to me, and marked B, upon each of the respective persons whose names and addresses and descriptions appear in the first column of the list of creditors marked A, referred to in the affidavit of filed on the day of 19

2. I served the said copies of the said notice upon the persons respectively mentioned in the said list, by sending such copies on the _____ day of _____ by registered post to the said persons respectively to their respective addresses as appearing in the said list, being the last known addresses or places of abode of such persons respectively.

And I, the said E. F., for myself say as follows:

3. A true copy of the notice now produced and shown to me
(If notice issued and marked C has appeared in the
under Rule 661.) of the day of
19 , the of the day of
19 , etc.

5. I have, in the paper writing, now produced and shown to me, and marked D, set forth a list of all claims, the particulars of which have been sent in to me pursuant to the said notice B now produced and shown to me by persons claiming to be creditors of the said company for larger amounts than are stated in the list of creditors, marked A, referred to in the affidavit of _____ filed on the day of _____ 19 _____.

5. I have, in the paper writing, now produced and shown to
(If notice issued me, marked E, set forth a list of all claims,
under Rule 661.) the particulars of which have been sent in to
me pursuant to the notice referred to in the
third paragraph of this affidavit by persons claiming to be creditors
of the said company on the day of 19
not appearing on the said list of creditors, marked A, and who
claimed to be entered thereon.

And we, C. D. and A. B., for ourselves say as follows :

6. We have, in the first part of the said paper writing, marked D (now produced and shown to us) and also (Rule 652). in the first part of the said paper writing, marked E (also produced and shown to us), respectively, set forth such of the said debts and claims as are admitted by the said company to be due wholly or in part, and how much is admitted to be due in respect of such of the same debts and claims, respectively, as are not wholly admitted.

7. We have, in the second part of each of the said paper writings, marked D and E, set forth such of the said debts and claims as are wholly disputed by the said company.

8. In the said exhibits D and E are distinguished such of the debts, the full amounts whereof are proposed to be set apart and appropriated in such manner as the Judge shall direct. Sworn, etc.

Exhibit D referred in the last-mentioned affidavit.

D.

In the matter, etc.

List of debts and claims of which the particulars have been sent in to

by persons claiming to be creditors of the said company for *larger amounts* than are stated in list of creditors made out by the company.

This paper writing, marked D, was produced and shown to C. D., E. F., and A. B., respectively, and is the same as is referred to in their affidavit sworn before me this day of

19 .

X. Y., etc.

First part.—Debts and claims wholly or partly admitted by the company.

Names, addresses and description of creditors.	Particulars of debt or claim.	Amount claimed.	Amount admitted by the company to be owing to creditors.	Debts proposed to be set apart and appropriated in full although disputed.

Second part.—Debts and claims wholly disputed by the company.

Names, addresses and description of claimants.	Particulars of claim.	Amount claimed.	Debts proposed to be set apart and appropriated in full although disputed.

Exhibit E referred to in the last affidavit.

E.

In the matter, etc.

List of debts and claims of which the particulars have been sent in to Mr. _____ by persons claiming to be creditors of the company and to be entered on the list of the creditors made out by the company.

This paper writing, marked E, was produced and shown to C. D., E. F. and A. B., respectively, and is the same as is referred to in their affidavit sworn before me this day of 19 .

X. Y., etc.

First part.—(Same as in exhibit D.)

Second part.—(Same as in exhibit D.)

Note.—The names are to be inserted alphabetically.

No. 7.—(*Rule 603.*)

[For general heading, see rule 650.]

To Mr.

You are hereby required to come in and prove the debt claimed by you against the above company, by filing your affidavit, and giving notice thereof to Mr. _____, the attorney of the company, on or before the _____ day of _____ next; and you are to attend in person or by your attorney at the Chambers of the Honourable _____ at the High Court on the _____ day of 19 _____ at _____ o'clock in the noon, being the time appointed for hearing and adjudicating upon the claim, and produce any securities or document relating to your claim.

In default of your complying with the above directions, you will (be precluded from objecting to the proposed reduction of the capital of the company), or (in all proceedings relative to the proposed reduction of the capital of the company, be treated as a creditor for such amount only as is set against your name in the list of creditors).

Dated this _____ day of _____ 19 .

A. B.,
Attorney for the said company.

No. 8.—(See rule 667.)

[For general heading, see rule 650.]

Notice is hereby given that a petition presented to the Honourable _____ on the _____ day of _____, for confirming a resolution reducing the capital of the above company from Rs. _____ to Rs. _____, is directed to be heard before the Honourable _____ on the _____ day of _____ 19 _____ C. and D. of _____

(Agents for E. and F. of _____.)
Attorneys for the company.

No. 9.—(See rule 671.)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

Ordinary Original Civil Jurisdiction. Suit No. _____ of 19 _____.

Coram :

Indian Companies Act. Order confirming reduction of capital. George V, by the grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

In the matter of the Indian Companies Act and
In the matter of _____

Petitioner.

Upon the petition of _____ and Reduced on the _____ day of _____ 19 _____ preferred unto this Honourable Court and upon hearing Mr.

Advocate (O. S.) for the petitioner company this day and upon reading the said petition and the Order dated the _____ day of _____ 19 _____ and the several exhibits therein referred to and the Bombay Government Gazette of the _____ day of _____ 19 _____ and the _____ and _____

newspapers of the _____ day of _____ 19 _____ each containing a notice of presentation of the petition pursuant to the said Order the Judge's certificate dated the _____ day of _____ 19 _____ the _____ and _____ newspapers of the _____ day of _____ 19 _____ each containing an advertisement of notice that the said petition was appointed to be heard on the _____ day of _____ 19 _____ and none of the creditors appearing either in person or by Advocate (O. S.) this Court doth Order that the reduction of capital proposed to be

effected by the special Resolution passed and confirmed at the two Extraordinary General Meetings of the petitioner company held respectively on the _____ day of _____ 19 _____ and on the _____ day of _____ 19 _____ and which resolution was in the words and figures following
 be and the same is hereby confirmed and this Court doth further approve of the minute set forth in the Schedule A hereto and this Court doth further Order that a certified copy of this Order be produced to the Registrar of Companies, Bombay, and be delivered to him together with a copy of the minute in the words or to the effect set forth in the said Schedule A hereto and this Court doth further Order that notice of the registration of this Order and of the said minute be published as follows; that is to say once in the Bombay Government Gazette, the _____ and _____ and _____ newspapers after such registration and this Court doth lastly Order that the said company be at liberty after four weeks from the date hereof to discontinue the addition to its name of the words "and Reduced".
 Witness _____

Chief Justice at
 day of _____

Bombay aforesaid, this

19 .

Sealed

The day of _____ 19 .

By the Court,

Prothonotary and Senior Master.

Order drawn on application of _____ }

Schedule.

No. 10.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

Ordinary Original Civil Jurisdiction. Suit No. _____ of 19 _____

Coram :

Indian Companies
 Act. Order sanction-
 ing scheme of arrange-
 ment.

George V, by the grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

In the matter of the Indian Companies Act, VII of 1913, and

In the matter of _____

Applicants,

Upon the petition of the abovenamed whose
 registered office is situate at within the Fort of
 Bombay on the day of 19
 preferred unto this Honourable Court, and upon hearing Advocate
 (O. S.) for the applicants and upon reading the said petition the
 Judge's order dated the day of 19 whereby
 the said company was ordered to convene separate meetings of
 the holders of its Old Issue Ordinary Shares and New Issue
 Ordinary Shares for the purpose of considering and if thought
 fit approving with or without modification a scheme of arrange-
 ment proposed to be made between the said company and the
 holders of such Old Issue Ordinary Shares and New Issue Ordinary
 Shares and respectively the and
newspapers of the day of
 19 each containing an advertisement of the notice convening
 the said meetings directed to be held by the said order dated the
day of 19 and
 the and newspapers of the
day of 19 each containing a notice of
 the presentation of the said petition and that the same was ap-
 pointed to be heard on the day of
 19 the two affidavits of dated respectively
 the day of 19 and the
day of 19 the affidavit
 of dated the day of
 19 the affidavit of dated the
day of 19 and the
 affidavit of dated the day of 19
and the exhibits in the said affidavits
 or some of them respectively referred to and the report dated the
day of 19 of the result of
 the meetings directed to be held by the said Judge's order dated
 the day of 19, this Court doth
 hereby sanction the scheme of arrangement as set forth in exhibit
 A to the said petition dated the day of
 19 and in the Schedule A hereof and doth declare the same to
 be binding on the holders of the Old Issue Ordinary Shares and
 New Issue Ordinary Shares of the said Company and on the said
 Company and this Court doth further Order that the abovenamed
 Co., Ltd., do file a certified copy of
 this Order with the Registrar of Companies, Bombay, and this
 Court doth lastly Order that the costs of the applicants of the
 said petition and of this Order and of the Judge's Order dated the
day of 19 be paid out of the
 assets of the said Company when taxed and noted in the margin
 hereof.

Witness
this day of
Sealed
The day of 19

Chief Justice at Bombay aforesaid,
19

By the Court,

Prothonotary and Senior Master.

Order drawn on application of }

Schedule A referred to in the foregoing Order
sanctioning scheme of Arrangement.

FORMS IN WINDING UP PROCEEDINGS.

No. 11.—*Advertisement of petition.*

(RULE 673.)

[For general heading, see rule 650.]

Notice is hereby given that a petition for the winding up of the above-named company by the (or subject to the supervision of the) High Court of Judicature at Bombay (or District Court of) was on the day of 19 presented to by the said company (or A. B. of , a creditor or contributory of the said company or as the case may be). And that the said petition is directed to be heard before on the day of 19 ; and any creditor or contributory of the said company, desirous to oppose the making of an order for the winding up of the said company under the above Act, should appear at the time of hearing by himself or his counsel for that purpose; and a copy of the petition will be furnished to any creditor or contributory of the said company requiring the same, by the undersigned, on payment of the regulated charge for the same.

C. and D. of etc.,

Attorneys for the petitioners.

(RULE 675.)

I, A. B., of etc., make oath and say (or do solemnly affirm) that such of the statements in the petition now produced and shown to me, and marked with the letter A, as relate to my own acts and deeds, are true, and such of the said statements as relate to the acts and deeds of any other persons or person I believe to be true.

or solemnly affirmed, etc.

(Sections 162 and 170 of the Act.)

[For general heading, see rule 650.]

Upon the petition of the abovenamed company *or* A. B. of etc., a creditor (*or* contributory of the abovenamed company) on the _____ day of _____ 19____, preferred unto the said Court, and upon hearing counsel for the petitioner, and for _____, and upon reading the said petition, an affidavit (*or* solemn affirmation) of the said petitioner, filed, etc., verifying the said petition, and affidavit (*or* solemn affirmation of S. M.) filed the _____ day of _____ 19____ the *Bombay Government Gazette* of the _____ day of _____, the _____ of the _____ day of _____ (*enter any other paper*) each containing an advertisement of the said petition (*enter any other evidence*) this Court doth order that the said _____ company be wound up by this Court under the provisions of the Indian Companies Act, 1913.

No. 14.—*Order for winding up, subject to supervision.*

(Sections 221 and 222 of the Act.)

[For general heading, see rule 650.]

Upon the petition, etc., this Court doth order that the voluntary winding of the said company be continued, but subject to the supervision of the Court; and any of the proceedings under the said voluntary winding up may be adopted as this Court shall think fit. And the creditors, contributories, and liquidators of the said company, and all other persons interested, are to be at liberty to apply to a Judge of this Court in Chambers as there may be occasion.

No. 15.—*Advertisement of order to wind up.*

(RULE 678.)

[For general heading, see rule 650.]

By an order made by the High Court of Judicature at Bombay (or District Court of) in the above matter, dated the day of 19 , on the petition of the abovenamed company (or A. B. of): It was ordered that, etc., as in order.

C. and D. of etc.,

Attorneys for the said petitioner.

No. 16.—*Advertisement of time and place fixed for the appointment of official liquidator.*

(RULE 681.)

[For general heading, see rule 650.]

Notice is hereby given that the Honourable Mr. Justice (or the Judge of the District Court of) has fixed the day of 19 , at o'clock in the noon, at his Chambers in the Court House of the High Court at Bombay (or at the District Court House at) as the time and place for the appointment of an official liquidator of the abovenamed company.

G. H.,

Prothonotary and Senior Master

(or as the case may be).

No. 17.—*Proposal for appointment of official liquidator (and sureties) where form No. 16 has been issued.*

[For general heading, see rule 650.]

We, the undersigned contributories of the above-named company for the number of shares placed opposite our respective names, hereby propose Mr. R. P. H. of etc., public accountant, to be the official liquidator of the said company (and H. N. of, etc., and J. P. of etc., to be his sureties).

Name.	Address.	Number of shares held.

No. 18.—*Recognizance of the official liquidator and sureties.*

(RULE 682.)

[For general heading, see rule 650.]

The Honourable Mr. Justice (or the Judge of the District Court) has approved of and allowed this recognizance G. H., Prothonotary and Senior Master (or as the case may be).

R. P. H. of etc., W. B. of etc., and T. P. of etc., in the High Court of Judicature at Bombay (or District Court of) personally appearing, do acknowledge themselves, and every of them doth acknowledge himself to owe the respective sums of money set opposite to their respective names in the schedule hereto to be paid to the Honourable Mr. Justice , a Judge of the said High Court (or to , Esquire, Judge of the said District Court of), his successors in office or assigns; and in default of payment of the said respective sums, the said R. P. H., W. B. and T. P. are willing and do agree each for himself, his heir, executors and administrators, by these presents, that the said sums shall be levied,

recovered and received of and from them and every of them, and of and from them and every of them, and of and from all and singular the manors, messuages, lands, tenements and hereditaments, goods and chattels of them and every of them wheresoever the same shall be found. Witness the day of 19 . Whereas in the matter of, etc. (*take title from order to wind up*), the High Court of Judicature at Bombay, (or District Court of), has by an order dated the day of 19 , appointed the said R. P. H., official liquidator of the said company, and has thereby directed him to give security to be approved of by the said Court, or (*in case the security precedes the order appointing*) has approved of the said R. P. H. as a proper person to be appointed official liquidator of the said company (upon his giving security). And whereas the said Judge has approved of the said W. B. and T. P. to be sureties for the said R. P. H. in the amounts set opposite to their respective names in the schedule hereto and has also approved of the above written recognizance, with the under-written condition as a proper security to be entered into by the said R. P. H., W. B. and T. P., pursuance to the said order and (or pursuant to) the general order of the said Court in that behalf; and in testimony of such approbation the Honourable , one of the Judges of the said Court (or in a District Court) , Esquire (the Judge of the said Court), hath signed an allowance in the margin hereof. Now the condition of the above written recognizance is such that if the said R. P. H., his executors or administrators or any of them do and shall duly account for what the said R. P. H. shall receive, or become liable to pay, as official liquidator of the said company at such periods and in such manner as the said Court shall appoint, and pay the same as the said Court hath (by the said order) directed, or shall hereafter direct, then the above recognizance to be void, otherwise to remain in full force and virtue.

The schedule above referred to.

R. P. H.	...	...	... thousand rupees.
W. B.	...	...	... thousand rupees.
T. P.	...	...	... thousand rupees.
Taken and acknowledged by the abovenamed R. P. H., etc., etc.			

No. 19.—*Affidavit of sureties.*

(RULE 682.)

[For general heading, see rule 650.]

We, W. B. of etc., and T. P. of etc., severally make oath and say (or solemnly affirm) as follows:—

1. I, the said W. B. for myself, say that I am worth the sum of rupees _____ of lawful money of British India, over and above what is sufficient for the payment of all my just debts and liabilities.

2. And I, the said T. P. for myself, say that I am worth the sum of rupees of, etc. (as above).

Sworn, etc.

(or solemnly affirmed.)

No. 20.—*Order appointing an official liquidator.*

(RULES 682 AND 683.)

[For general heading, see rule 650.]

The day of 19 .

Upon the application, etc., and upon reading, etc., the Court doth hereby appoint R. P. H. of etc., official liquidator of the abovenamed company. [*If security has not been given and has not been dispensed with add*, and it is ordered that the said ordered that the said R. P. H. on the _____ day of _____ next, give security to be approved of by the court] and it is ordered that the said R. P. H. on the _____ day of _____ and _____ day of _____ 19 and the same days in each succeeding year, file his accounts in the office of the Prothonotary and Senior Master (or office) of the said Court (or in the case of a District Court in the District Court at _____) and it is ordered that all moneys to be received by the said R. P. H. be paid by him into the Imperial Bank of India (or the branch nearest to the Court in which the matter is pending, or in the case of a District Court into the District Court at _____) to the credit of the account of the official liquidator of the said company, within seven days after the receipt thereof. (*In case two or more official liquidators are appointed add*) And the said Court doth declare that the following acts required or authorised by the above Act to be done by the official liquidators may be done by either (or any one, or two) of the official liquidators hereby appointed, that is to say (*describe the acts*), and all other acts so required

or authorised to be done by both (or all) the official liquidators hereby appointed. And it is ordered that an office copy of this order be lodged at the Imperial Bank of India or branch thereof as aforesaid.

No. 21.—*Order appointing a provisional official liquidator.*

(RULES 682, 683, 687 AND 730.)

[For general heading, see rule 650.]

The day of 19 .

Upon the application, etc., and upon reading, etc., the Court doth hereby appoint R. P. H. of etc., provisionally, official liquidator of the abovenamed company. (*If security dispensed with add, without security; or if security is to be given add direction as to security account and payment into the Bank as in form No. 20.*) And the said Court doth hereby limit and restrict the powers of the said R. P. H. as such provisional official liquidator to the following acts, that is to say (*describe the acts which the provisional official liquidator, is to be authorised to do.*)

No. 22.—*Sanction of appointment of attorney to official liquidator and appointment.*

(See section 181 of the Act.)

[For general heading, see rule 650.]

The Court sanctions the official liquidator appointing an attorney (or vakeel) to assist him in the performance of his duties.

L. H.

I hereby appoint to be my attorney in this matter
dated this day of 19 .

R. P. H.,

Official Liquidator.

(See sections 185 and 187 of the Act.)

Upon the application of etc., and on reading etc., it is ordered that A. B. of etc., do, within four days after service hereof, pay to (or deliver, convey, surrender or transfer to or into the hands of) R. P. H., the official liquidator of the said company, at the office of the said R. P. H., situate at etc., the sum of rupees _____, being the amount of debt appearing to be due from the said A. B. on his account with the said company (or any sum or balance, books, papers, estate or effects specifying the property) now being in the hands of the said A. B. and to which the said company is *prima facie* entitled (or otherwise as the case may be).

No. 24.—*Direction to open account at the Imperial Bank of India.*

[For general heading, see rule 650.]

To the Secretary and Treasurer of the Imperial Bank of India
(or the Agent of the branch of the Imperial Bank of India
at _____).

SIR,

An order, dated the _____ day of _____, 19____, having been made in the above matter by the High Court of Judicature at Bombay (or District Court of _____) for winding up the abovenamed company by the Court, under the provisions of the Indian Companies Act, 1913, and R. P. H., of _____

having by order, dated the _____ day of
19 __, been appointed the official liquidator
of the said company, you are requested to open an account, to be
entitled "The account of the official liquidator of the _____ com-
pany," in your books pursuant to the said Act. All cheques drawn
upon such account must be signed by the official liquidator,
and by _____ who has been
appointed by the Judge, whose signatures are attached hereto.

I am, Gentleman,
Your most obedient Servant,

G. H.

Signature,

R. P. H., Official Liquidator.

G. W.

In the case of winding up proceedings being carried on in a District Court, the liquidator of the company should present a similar application to the Judge as the above, *mutatis mutandis*, for leave to open such an account in the District Court.

No. 25.—*Advertisement of appointment of official liquidator.*

(RULE 686.)

[For general heading, see rule 650.]

The Honourable Mr. Justice (or the District Judge
of) has, by an order, dated the day of
19 , appointed R. P. H. of to be official
liquidator of the abovenamed company.

Dated this day of 19 .

G. H.

No. 26.—*Advertisement for creditors.*

(RULE 694.)

[For general heading, see rule 650.]

The creditors of the abovenamed company are required on or before the day of 19 to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their attorneys (if any) to R. P. H. of the official liquidator of the said company, and if so required by notice* in writing from the official liquidator, or in person or by their attorneys to come in and prove their said debts or claims, at such time as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts proved.

The day of 19 , at o'clock in the noon, at the said , is appointed for hearing and adjudicating upon the debts and claims.

Dated this day of 19 .

G. H.

* For form of notice, see form No. 30.

No. 27.—*Affidavit of official liquidator as to debts and claims.*

(RULE 696.)

[For general heading, see rule 650.]

I, R. P. H. of etc., the official liquidator of the abovenamed company, make oath and say (or solemnly affirm) as follows:—

1. I have, in the paper writing now produced and shown to me, and marked with the letter A, set forth a list of all the debts and claims, the particulars of which have been sent in to me by persons making claim upon or claiming to be creditors of the said company pursuant to the advertisement issued in that behalf, dated the day of 19 , and the names and addresses of the persons by whom such claims are made.

2. I have investigated the said debts and claims and examined the same with the books and documents of the said company, in order to ascertain, so far as I am able, which of such debts and claims are justly due from the said company; and I have, in the first part of the said list, set forth such of the said debts and claims or parts thereof, as in my opinion are justly due from the said company, and proper to be allowed without further evidence, and I have, in the sixth column of the said first part of the said list, set forth the amount proper to be allowed in respect of such debts and claims; and I believe that such amounts, respectively, are justly due and proper to be allowed; and I have, in the seventh column of the said first part of the said list, stated my reasons for such belief.

3. I have, in the second part of the said list, set forth such of the said debts and claims as in my opinion ought to be proved by the respective creditors.

Sworn (or solemnly, affirmed), etc.

No. 28.—*Exhibit referred to in affidavit in form No. 27.*

A.

[For general heading, see rule 650.]

This paper writing, marked A, was produced and shown to R. P. H., and is the same as is referred to in his affidavit, sworn (or solemn affirmation made) before this day of 19 .

W. B., etc.

List of debts and claims of which the particulars have been sent in to the official liquidator.

First Part.—Debts and claims which ought to be allowed without further evidence.

Serial No.	Names of creditors.	Addresses and description.	Particulars of debts or claims.	Amount claimed.	Amount proper to be allowed.	Reasons for belief that amounts are proper to be allowed.
				Rs. a. p.	Rs. a. p.	

Second Part.—Debts and claims which ought to be proved by the creditors.

Serial No.	Number of creditors.	Addresses and description.	Particulars of debts or claims.	Amount claimed.
				Rs. a. p.

No. 29.—*Notice to creditors of allowance of debt.*

(RULE 697.)

[For general heading, see rule 650.]

(Place and date.)

SIR,

The debt claimed by you in this matter has been allowed by the Judge at the sum of Rs. *(if part only allowed add)* if you claim to have a larger sum allowed, you are hereby

required to come in and prove the further amount claimed, etc.,
as in the next form.

I am, etc.,
R. P. H., Official Liquidator.

No. 30.—*Notice to creditors to come in and prove their debts.*

(RULE 698.)

[For general heading, see rule 650.]

To Mr. P. R.

(Place and date.)

SIR,

You are hereby required to come in and prove the debt claimed by you against the abovenamed company, by filing your affidavit and giving notice thereof to me on or before the day of next, and you are to attend in person or by your attorney (or vakil) on the day of 19 at o'clock in the noon, being the time appointed for hearing and adjudicating upon the claim.

Dated this day of 19 ,

R. P. H. Official Liquidator.

No. 31.—*Affidavit of creditor in proof of debt.*

(RULE 698).

[For general heading, see rule 650.]

To Mr. P. R.

I, S. T. of etc., make oath (or solemnly affirm) and say as follows:—

1. The abovenamed company was on the day of 19 , the date of the order for winding up the same, and still is, justly and truly indebted to me in the sum of rupees for, etc. (*Describe shortly the nature of the debt and*

exhibit any security for it; and in case of a trade debt exhibit vouchers, and verify the reasonableness of the charges, as in proving a debt in a suit.)

2. I have not, nor hath nor have any person or persons by my order or to my knowledge or belief for my use, received the sum of rupees _____ or any part thereof, or any security or satisfaction for the same or any part thereof (If any security add) except the said (describe the security) hereinbefore mentioned or referred to. Sworn (or solemnly affirmed, etc.).

No. 32.—*Settlement by the Judge of debts and claims.*

(RULE 702.)

[For general heading, see rule 650.]

The debts and claims which have been allowed are set forth in the first schedule hereto, and with the interest thereon and costs mentioned in the schedule are due to the persons therein named, and amount altogether to Rs. _____.

In the first part of the said schedule are set forth such of the said debts and claims as carry interest, and the interest thereon has been computed after the rate they respectively carry down to (the present date) date of the winding up.

In the second part of the said schedule are set forth such of the debts and claims as do not carry interest.

The claims set forth in the second schedule hereto have been brought in by the persons therein named and have been disallowed.

The first schedule above referred to.

First Part—

Debts and claims which carry interest.

No.	Names of creditors.	Addresses and description.	Particulars of debts.	Total amount.
1	J. L.	Of (address) Principal Interest at per cent. per annum from 19 to the date of this certificate . . . Costs of proof	Of bills of exchange dated, etc. Rs. Rs.	Rs. a. p.

Second Part—

Debts and claims which do not carry interest.

No.	Names of creditors.	Addresses and descriptions.	Particulars of debts.	Interest on principal.	Total due.
			Rs. a. p.	Rs. a. p.	Rs. a. p.
			Goods sold.		
			50 0 0		
			2 0 0		
40	W. R.	Of (address). Principal.	Total Rs. .	2 0 0	
		Cost of proof.	Add—Total .		54 0 0
			First part . . .		
			Total first and second part.		

The second schedule above referred to.

No.	Names of creditors.	Addresses and descriptions.	Particulars of claims.	Amount claimed.
				Rs a. p.

Dated this

day of

19 .

(Signature of the Judge or District Judge.)

No. 33.—*Notice to creditor to attend to receive debt.*

(RULE 702.)

[For general heading, see rule 650.]

SIR,

Upon application at my office, No. _____ Street, Bombay,
on or after the _____ instant, between the hours of ten and
four o'clock, you may receive a cheque for the amount of your
debt allowed in this matter as under :—

Principal	Rs.
Interest	„
Costs of proof	„
<hr/>	
Total	Rs. _____

If you cannot attend personally, the cheque will be delivered
to your order, upon your filling up and signing the subjoined
form.

The bills or securities (if any) held by you must be produced
at the time of such application.

Dated this _____ day of _____ 19 .

R. P. H., Official Liquidator.

SIR,

Please deliver to W. R. the cheque for Rs.
referred to in the above letter as payable to me.

S. T., Creditor.

To

Mr. R. P. H.,

Official Liquidator of the Company.

No. 34.—*Affidavit in support of list of contributories.*

(RULE 703.)

[For general heading, see rule 650.]

I, R. P. H. of etc., the official liquidator of the abovenamed
company, make oath and say (or solemnly affirm) as follows :—

1. The paper writing now produced and shown to me, and
marked with the letter A, contains a list of the contributories of

the said company, made out by me from the books and papers of the said company, together with their respective addresses, and the number of shares (or extent of interest) to be attributed to each; and such is, to the best of my knowledge, information and belief, a true and accurate list of the contributories of the said company, so far as I have been able to make out and ascertain the same.

2. I have, in the first part of the said list, marked A, distinguished the persons who are contributories in their own right.

3. I have, in the second part of the said list, marked A, distinguished the persons who are contributories as being representatives of, or being liable for the debts of, others.

Sworn (or solemnly affirmed), etc.

No. 35.—*List of contributories referred to in form No. 34.*

A.

[For general heading, see rule 650.]

This list of contributories, marked A, was produced and shown to R. P. H., and is the same list of contributories as is referred to in his affidavit. Sworn (or solemn affirmation made) before me this

day of 19 .

W. B., etc.

First part.—Contributories in their own right.

Serial No.	Name.	Address.	Description.	In what character included.	Number of shares (or extent of interest).

Second part.—Contributories as being representatives of, or liable for the debts of, others.

Serial No.	Name.	Address.	Description.	In what character included.	Number of shares (or extent of interest).

No. 36.—*Notice to contributories of appointment to settle list of contributories.*

(RULE 704.)

[For general heading, see rule 650.]

The Honourable Mr. Justice (or as the case may be) has appointed the _____ day of 19____, at _____, to settle the list of the contributories of the abovenamed company, made out and filed in Court by the official liquidator of the said company, and you are included in such list in the character, and for the number of shares (or extent of interest) stated below, and if no sufficient cause is shown by you to the contrary at the time and place aforesaid the list will be settled by the said Judge, including you therein.

Dated this _____ day of 19____.

R. P. H. Official Liquidator.

To Mr. A. B., and to Mr. C. D., his attorney,

No. on list.	Name.	Address.	Description.	In what character included.	Number of shares (or extent of interest).

No. 37.—*Affidavit of service of notice.*

(RULE 704.)

[For general heading, see rule 650.]

I, W. S. of etc., clerk to Messrs. C. and D. of etc., the attorneys of the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1. The first six columns of the schedule now produced and shown to me, and marked with the letter A, contain a true copy of the list of contributories of the said company, made out and filed in Court by the said official liquidator, on the day of 19 , and now on the file of proceedings of the said company, as I know from having, on the day of 19 , examined and compared the said schedule with the said list; and I have in the seventh column of the said schedule, marked, set forth the names and addresses of the attorneys who have entered appearances for any of the contributories named in the said list.

2. I did, on the day of 19 , in the manner hereinafter mentioned, serve a true copy of the notice now produced and shown to me and marked B, upon each of the said respective persons whose names, addresses and descriptions appear in the second, third and fourth columns of the said schedule, marked A, except that in the tabular form at the foot of such copies respectively I inserted the number on list, name, address, description, in what character included, and number of shares (or extent of interest) of the person on whom such copy of the said notice was served, in the same words and figures as the same particulars are set forth in the said schedule, marked A.

3. I served the said respective copies of the said notice, by putting such copies respectively, duly addressed to such persons respectively or their attorneys, according to their respective names, and addresses appearing in the said schedule, and marked A, and with the proper postage stamps affixed thereto as prepaid letters, into the Post Office receiving house No. , in Street, Bombay (*or as the case may be*) between the hours of and of the o'clock in the of the said day of Sworn (or solemnly affirmed), etc.

No. 38.—*The Schedule referred to in form No. 37.*

A.

[For general heading, see rule 650.]

This schedule, marked A, was produced and shown to W. S., and is the same schedule as is referred to in his affidavit. Sworn (or solemnly affirmed) before me this day of

19 .

W. B., etc.

No. on list.	Name, Address.		Discription.	In what character included.	Number of shares (or extent of interest).	Names and addresses of attorneys who have entered appearances, and been served with a copy of the notice referred to in the affidavit of W. S. to which this schedule in an exhibit.
1	2	3	4	5	6	7

No. 39.—*Supplemental list of contributories, and affidavit in support.*

(RULE 703.)

[For general heading, see rule 650.]

I, R. P. H. of etc., the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1. Since filing in Court the list of the contributories in the matter (on the day of 19 , it has come to my knowledge that the several persons whose names are set forth in the supplemental list of contributories now produced and shown to me, and marked with the letter B, are or have been holders of shares (or members) of the said company, and to the best of my judgment, information and belief, such persons are contributories of the said company.

2. The said supplemental list, marked B, contains the names of such persons, together with their respective addresses, and the number of shares (or extent of interest) to be attributed to each; and such list is, to the best of my knowledge, information and belief, true and accurate.

3. I have, in the first part of the said list, marked B, distinguished such of the said persons as are contributories in their own right.

4. I have, in the second part of the said list, marked B, distinguished such of the said persons as are contributories as being representatives of, or being liable for the debts of, others. Sworn (or solemnly affirmed), etc.

No. 40.—*Supplemental list of contributories referred to in form No. 39.*

B.

[For general heading, see rule 650.]

This supplemental list of contributories, marked B, was produced and shown to R. P. H. and is the same supplemental list of contributories as is referred to in his affidavit. Sworn (or solemn affirmation made) before me, this day of

19 .

W. B., etc.

NOTE.—Supplemental list is to be made out in the same form as the original list. Form No. 35.

No. 41.—*Settlement by the Judge of the list of contributories.*

1

(RULE 705.)

[For general heading, see rule 650.]

The result of the settlement of the list of the contributories of the abovenamed company, made out and filed in Court by the official liquidator of the said company, on the day of 19 , pursuant to the above Act and the General Order of this Court in that behalf, so far as the said list has been settled up to the date of this certificate, is as follows:—

1. The several persons, whose names are set forth in the second column of the first schedule hereto, have been included in the said list of contributories as contributories of the said company in respect of the number of shares (or extent of interest) set opposite the names of such contributories respectively in the said schedule.

I have, in the first part of the said schedule, distinguished such of the said several persons included in the first list as are contributories in their own right. I have, in the second part of the said schedule, distinguished such of the said several persons included in the said list as are contributories as being representatives of, or being liable to the debts of, others.

2. The several persons whose names are set forth in the second column of the said schedule hereto have been excluded from the said list of contributories.

3. I have, in the seventh column of the said first and second schedules, set forth, opposite the names of each of the said several persons respectively, the date when such person was included in or excluded from the said list of contributories.

The first schedule above referred to.

First part—Contributories in their own right.

Serial No. in list.	Name.	Address.	Descrip- tion.	In what character included.	Number of shares (or extent of interest.)	Date when included in the list.

Second part—Contributories as being representatives of, or liable to the debts of, others.

Serial No. in list.	Name.	Address.	^{a c} Descrip- tion.	In what character included.	Number of shares (or extent of interest.)	Date when included in the list.

The second schedule above referred to.

Serial No. in list.	Name.	Address	Description.	In what character proposed to be included.	Number of shares (or extent of interest).	Date when excluded from the list.

Dated this day of 19 .

(Signature of the Judge or District Judge.)

No. 42.—*Order on appilcation to vary list.*

(RULE 705.)

[For general heading, see rule 650.]

Upon the application of W. N. to review the list of contributories of the said company, in respect of the inclusion of the said W. N. therein, and that his name may be excluded therefrom, and upon hearing advocates, O. S. etc., and upon reading, etc. : It is ordered that the name of the said W. N. be excluded from the said list of contributories (or the Court doth not think fit to make any order on the said application, except that the said W. N. do pay to R. P. H., the official liquidator of the said company, his costs of this application, to be taxed by the Taxing Master in case the parties differ or in the case of a District Court the sum of Rs. for his costs of this application).

(RULE 707.)

Sworn (or solemnly affirmed), etc.

No. 44.—*Summons for intended call.*

(RULE 707.)

[For general heading, see rule 650.]

Let all parties concerned attend at _____ on _____ day
the _____ day of _____ 19 _____ at _____ of the clock
in the _____ noon, on the hearing of an application on
the part of the official liquidator of the abovenamed company,
that a call to the amount of Rs. _____ per share may be made
on all the contributories (or if upon any particular class specify
the same) of the said company.

This summon was taken out by A. B. of _____, attorney
for the said official liquidator.

To Mr. A. B. of, etc., a contributory of the said company,
proposed to be included in the said call.

No. 45.—*Advertisement of intended call.*

(RULE 707.)

[For general heading, see rule 650.]

By direction of the _____ notice is hereby given that the
said Judge has appointed _____ the _____ day of
_____ 19 _____, at _____ o'clock in the _____ noon,
at _____ to make a call on all the contributories of
the said company, or as the case may be, and that the said call
shall be for Rs. _____ per share. All persons inter-
ested are entitled to attend at such day, hour, and place to offer
objections to such call.

Dated this _____ day of _____ 19 _____.

No. 46.—*General order for a call.*

(RULE 710.)

[For general heading, see rule 650.]

Upon the application of the official liquidator of the above-
named company, and upon reading two orders, dated the _____ day
of _____ 19 _____, and the _____ day of _____ 19 _____,

the certificate of the _____ dated the _____ day of _____ 19____, an affidavit of the said official liquidator filed on _____ 19____, and the exhibit marked A therein referred to and an affidavit of _____ filed on _____ 19____: It is ordered that a call of Rs. _____ per share be made on all the contributories of the said company (*or as the case may be*). And it is ordered that each such contributory do, on or before the _____ day of _____ 19____, pay into the Imperial Bank of India (*or the branch of the Imperial Bank of India, or in the case of District Court into the District Court at _____*), to the account of the official liquidator of the _____ company, the amount which will be due from him or her in respect of such call.

No. 47.—Notice to be served with the general order for a call.

(RULES 708 AND 710.)

[For general heading, see rule 650.]

The amount due from you, A. B., in respect of the call made by the above (or within) order, is the sum of Rs. _____, which sum is to be paid by you into the Imperial Bank of India (or the branch of the Imperial Bank of India, or in the case of a District Court into the District Court at _____), to the account mentioned in the said order. You can pay the same in person, or through a banker or other agent, but this notice and copy of order must be produced at the Bank or to the Court upon such payment, and the cashier of the Bank or the Nazir of the said Court will, upon receiving the same, deliver to you a certificate of the payment in number _____ signed by the said cashier or Judge. In order to prevent proceedings being taken against you for non-payment, you must immediately upon such payment, cause written notice of the payment, and of the date thereof, to be given to me, as the official liquidator of the said company, at my office, No. _____ Street, inside the Fort, Bombay. Dated this _____ day of _____ 19____.

R. P. H., Official Liquidator.

No. 48.—*Affidavit in support of application for order for payment of call due from contributory.*

(RULE 709.)

[For general heading, see rule 650.]

To Mr. A. B.

I, R. P. H. of, etc., the official liquidator of the abovenamed company, make oath (or solemnly affirm) and say as follows:—

1. None of the contributories of the said company whose names are set forth in the schedule hereunto annexed, marked A, have paid, or caused to be paid, the respective sums set opposite their respective names in the said schedule, which sums are the respective amounts now due from them respectively in respect of the calls of Rs. _____ per share, in pursuance of the order of the Judge in that behalf. Dated the _____ day of 19__.

2. The respective amounts or sums set opposite the names of such contributors respectively in such schedule are the true amounts due and owing by such contributors respectively in respect of the said call. Sworn (or solemnly affirmed), etc.

The schedule above referred to.

Number on list.	Name.	Address.	Description.	In what character included.	Amount due.

NOTE.—In addition to the above affidavit, an affidavit of the service of the order and notice (Nos. 46 and 47) will be required.

No. 49.—Order for payment of call due from a contributory.

(RULE 709.)

[For general heading, see rule 650.]

Upon the application of the official liquidator of the above-named company, and upon reading the order, dated the day of 19 , an affidavit of filed the day of 19 , and an affidavit of the said official liquidator, filed the day of 19 , it is ordered that C. D. of, etc. (or E. F. of, etc., the legal personal representative of L. M., late of, etc., deceased), one of the contributories of the said company (*or if against several contributories the several persons named in the second column of the schedule to this order being respectively contributories of the said company*) do, on or before the day of or within four days after service of this order, pay into the Imperial Bank of India *or the branch of the Imperial Bank of India, or in the case of a District Court into the District Court at*), to the account of the official liquidator of the Company (*or to A. B., the official liquidator of the said company at his office, No. street, in the*) the sum of Rs. (*If against legal personal representative, add out of the assets of the said L. M., deceased, in his hands as such legal personal representative as aforesaid, to be administered in a due course of administration the said E. F. has in his hands so much to be administered; or if against several contributories the several sums of money set opposite to their respective names in the sixth column of the schedule hereto*) said sum (*or sums*) being the amount (*or amounts*) due from the said C. D. (*or L. M.*) or the said several persons respectively in respect of the call of Rs. per share made by the said order dated the day of 19 .

The schedule referred to in the foregoing order.

Number on list.	Name.	Address.	Description.	In what character included.	Amount due.

No. 50.—*Notice to be endorsed on or served with every order directing payment of money into the Imperial Bank of India or into Court.*

(RULE 714.)

You can make the payment directed by the within (or above) order to the Imperial Bank of India (or the branch of the Imperial Bank of India, or in the case of a District Court into the District Court at), in person, etc. (*as in form No. 47*).

R. P. H., Official Liquidator.

No. 51.—*Certificate of payment of money into the Imperial Bank of India or into Court.*

(RULE 714.)

No. day of 19 .

I hereby certify that C. D. of, etc., has this day paid into the Imperial Bank of India or into Court the sum of , to be placed to the credit of the official liquidator of the company, pursuant to an order dated the day of 19 .

For the Imperial Bank of India, Rs.

H. M., Cashier.

or

Nazir, District Court.

(*As the case may be.*)

No. 52.—*Affidavit of service of order for payment of call.*

(RULE 709.)

[For general heading, see rule 650.]

I, J. B. of, etc., make oath (or solemnly affirm) and say as follows :—

1. I did, on the day of 19 , personally serve G. F., of in the of , etc., with an order made in this matter by , dated the day of 19 , which is hereto annexed and marked A by delivering to and leaving with the said G. F. at , in the , a true copy of the said order together with a translation thereof in the language, and at the

same time producing and showing unto him, the said G. F., the said original order duly entered.

Sworn (or solemnly affirmed), etc.

No. 53.—*Affidavit of non-payment of money by order directed to be paid into the Imperial Bank of India or into Court.*

(RULE 715.)

[For general heading, see rule 650.]

I, R. P. H. of, etc., the official liquidator of the abovenamed company, make oath and say as follows:—

1. G. S., the person named in an order made in the matter by the Honourable Mr. Justice (or as the case may be), dated the day of 19 , has not paid into the Imperial Bank of India (or in the case of a District Court into the District Court at , to the account of the official liquidator of the company, the whole or any part of the sum of Rs. as by the said order directed.

Or (in case of several parties):—

1. None of the several persons whose names and addresses are set forth in the schedule hereunder written, and who have, respectively, been duly served with orders made in this matter by the Honourable Mr. Justice (or as the case may be) of the respective dates set opposite to their respective names in the said schedule, have paid into the Imperial Bank of India (or in the case of a District Court into the District Court at) to the account of the official liquidator of the company, the whole or any part of the several sums of money set opposite to their respective names in the schedule hereunder written, as by the said order, respectively, directed.

2. I am enabled to depose to such non-payment, by reason of my having this day ascertained, by inquiry at the said Bank (or at the said Court) that such payment (or payments) has (or have) not been made, and seen the certificate of payment in, numbered (or several certificates of payment in, the numbers whereof respectively, are set forth in the sixth column of the said schedule, opposite the names of the said respective persons, being certificates) furnished by me to the cashier of the said Bank (or Nazir of the said District Court at) for delivery to the said G. F. (or several persons, respectively) upon such payment (or payments) being made still in the hands of the cashier of the said Bank (or Nazir of the said District Court). No notice (or notices) of such payment (or payments) having been made has (or have) been given to me by the said G. F. (or several persons, respectively). Sworn (or solemnly affirmed), etc.

The Schedule above referred to.

Name.	Address.	Description.	Amount.	Date of balance order.	Number of certificate.

No. 54.—*Request to invest cash in Government promissory notes.*

(RULE 718.)

[For general heading, see rule 650.]

To the Secretary and Treasurer of the Imperial Bank of India.

Sir,

It appearing that the sum of Rs. cash is standing to the credit of the account of the official liquidator of the above-named company, you are hereby requested to invest the sum of Rs. , part thereof, in the purchase of per cent. Government Promissory Loan Notes in the name of R. P. H. of, etc., the official liquidator of the said company, and to deposit such Government notes in the Imperial Bank of India (or the branch thereof, or in the case of a District Court into the District Court at ,) in the name and on behalf of the official liquidator. The said notes are not to be sold, transferred or otherwise dealt with, except upon a direction for that purpose signed by the official liquidator of the said company, and countersigned by a Judge of the High Court of Judicature at Bombay (or by the Judge of the District of , or under an order to be made by the said Judge).

Dated this day of 19 .

I am, Sir,

Your most obedient servant,

R. P. H., Official Liquidator.

G. H.

(Countersigned.)

No. 55.—*Request to the Court to sanction the investment of cash in Government promissory notes.*

(RULE 718.)

[For general heading, see rule 650.]

or To the Judge of the District Court at

Sir,

It appearing that the sum of Rs. cash is standing in the said Court to the credit of the account of myself the official liquidator of the abovenamed company, you are hereby requested to authorise me to invest the sum of Rs. part thereof in the purchase of per cent. Government promissory loan notes in my name as such official liquidator and to deposit such Government notes in the said Court in my name and on my behalf as such official liquidator. The said notes are not to be sold, transferred, or otherwise dealt with except upon a direction for that purpose signed by the official liquidator of the said company and countersigned by the Judge of your said Court.

Dated the day of 19 .

I am, Sir,

Your most obedient servant,

R. P. H., Official Liquidator

No. 56.—*Notice (or advertisement) of meeting of creditors or contributories.*

(RULE 720.)

[For general heading, see rule 650.]

Notice is hereby given that the High Court of Judicature at Bombay (or the District Court of) has directed a meeting of the creditors (or contributories) of the abovenamed company to be summoned pursuant to the above Act, for the purpose of ascertaining their wishes as to *(state the object for which meeting called, unless notice is by advertisement, in which case say, certain matters relating to the winding up of the said company)*, and that such meeting will be held on day the day of 19 , at o'clock in the noon at in the , at which time and place all the creditors (or contributories) of the

Dated this _____ day of _____ 19__.

NOTE.—If summoned otherwise than by direction of the Court omit the words underlined.

(RULE 721.)

Mr. H. T. of, etc., one of the creditors (or contributories) of the abovenamed company is appointed to act as chairman of a meeting of the creditors (or contributories) of the said company, summoned by direction of the High Court of Judicature at Bombay (or the District Court of) pursuant to the above Act, to be held on the day of 19 , at o'clock in the noon at and to report the result of such meeting to the said Court.

The said meeting is summoned for the purpose of ascertaining the wishes of the creditors (or contributories) of the said company as to (*state the object for which meeting called*), and at such meeting the votes of the creditors (or contributories) may be given either personally or by proxy.

Dated this day of 19

(RULE 722.)

I, W. S. of _____, in the _____ being a creditor (or contributory) of the abovenamed company, hereby appoint _____ of _____, as my proxy to vote for me, and on my behalf at the meeting of the creditors (or contributories) of the said company, summoned by the official liquidator (at the direction of the High Court of Judicature at Bombay) to be held on the _____ day of _____, and at any adjournment thereof _____ . As witness _____ my hand this _____ day of _____ 19 _____ .

Signed by the said W. S. in the
presence of
J. M. of, etc.

W.S.

(RULES 720, 721 AND 722.)

I, H. T., the person appointed by the High Court of Judicature at Bombay (or District Court of) to act as chairman of a meeting of the creditors (or contributories) of the abovenamed company, summoned by advertisement (or notice) dated the day of 19 , and held on the day of 19 , at , do hereby report to the said Court the result of such meeting as follows :—

The question submitted to the said meeting was whether the creditors (*or* contributories) of the said company approved of the proposal of the official liquidator of the said company, that, etc. (*as the case may be*), and wished that such proposal should be adopted and carried into effect.

The undermentioned creditors (or contributories) voted in favour of the said proposal being adopted and carried into effect—

Name of creditor (or contributory).	Address.	Value of debts (or number of shares).	Number of votes conferred on each contributory by the regulations of the company.

The undermentioned creditors (or contributories) voted against the said proposal being adopted and carried into effect—

Name of creditor (or contributory).	Address.	Value of debt (or number of shares).	Number of votes conferred on each contributory by the regulations of the company.

Dated this day of 19 .
(Signed) H. T.,
Chairman.

No. 60.—*Memorandum of sanction of Judge to accepting bill of exchange, &c.*

(RULE 723.)

[For general heading, see rule 650.]

The Judge has sanctioned the acceptance of this bill of exchange by the official liquidator on behalf of the said company.

(Signature.)

No. 61.—*Memorandum of agreement of compromise with a contributory.*

(RULE 724.)

[For general heading, see rule 650.]

Memorandum of agreement entered into this day of 19 , between R. P. H. of, etc., the official liquidator of the abovenamed company, of the one part, and S. B. of, etc., one of the contributories of the said company, of the other part.

Whereas the said S. B. has been settled on the list of contributories of the said company as a contributory in respect of shares in the said company; and whereas by an order made by dated the day of 19 , a call of Rs. per share was made on all the contributories of the said company, and there is now due from the said S. B. to the said company the sum of Rs. in respect of the said call; and whereas the said S. B. has proposed to pay to the said official liquidator the sum of Rs. by way of compromise, and in satisfaction and discharge of the said sum of Rs. , and of all liability whatsoever, as a contributory of

the said company; and whereas the said official liquidator, having investigated the affairs of the said S. B., and believing that such compromise will be beneficial to the said company, hath, in exercise of the power for that purpose given to him by the above Act, agreed to accept the same, subject to the sanction of the Court, and to the conditions and agreements hereinafter contained :—

Now, it is hereby agreed by and between the said parties hereto :

1. That the said official liquidator shall, before the day of next, apply to a Judge of the said Court, at Chambers to sanction this agreement of compromise.

2. That upon this agreement being sanctioned by the said Judge the said S. B. shall, within day next after such sanction, pay to the said official liquidator the said sum of Rs. , and when thereto required, shall do and execute all such acts and deeds as may be necessary for transferring or surrendering and releasing to the said official liquidator on behalf of the said company, or in such manner as the said Judge may direct, the said shares held by the said S. B. in the said company, and all claim and demand whatsoever which the said S. B. has or may have against the said company in respect of the said shares, or the distribution of the assets of the said company, otherwise howsoever.

3. That the said sum of Rs. , and the transfer or surrender and release of the said shares and interest of the said S. B. as aforesaid shall be accepted by the said official liquidator as, and be deemed and taken to give to the said S. B. a full and complete discharge from all calls and liabilities, claims and demands whatsoever, which the company or the official liquidator thereof now has or may hereafter have, or be entitled to against the said S. B. in respect of his being or having been the holder of the said shares, or otherwise, as a contributory of the said company.

4. That in case this agreement shall not be sanctioned by the said Judge it shall cease and determine and the said official liquidator and the said S. B. shall be remitted to their original rights with respect to each other, as if this agreement had not been entered into.

5. That in case this agreement shall be sanctioned by the said Judge, and the said S. B. shall not in all respects perform the same on his part, the official liquidator shall be at liberty, with the sanction of the said Judge, and without notice to the said S. B., to enforce the performance thereof, or, with the like sanction, to give notice to the said S. B. that he abandons this agreement, whereupon the same shall cease and determine, and the said official liquidator shall be entitled to proceed against the said S. B. to enforce payment of the said sum of Rs. or so

much thereof as shall then remain due and owing unpaid, as if this agreement had not been entered into.

Witness to the signatures of the { R. P. H., Official Liquidator.
said R. P. H. and S. B. { S. B.

No. 62.—*Memorandum of sanction of Judge to agreement of compromise.*

(RULE 724.)

[For general heading, see rule 650.]

C. D. of, etc.

The Judge has sanctioned this agreement of compromise.

(Signature.)

No. 63.—*Order or memorandum of the sanction of the Judge for certain acts to be done by official liquidator.*

(RULE 725.)

[For general heading, see rule 650.]

The Judge doth hereby sanction (or has sanctioned) the following proceedings being taken (or acts being done) by the official liquidator of the abovenamed company, namely (*state the proceedings to be taken or acts to be done as*) the bringing or instituting and prosecuting an action in the name and on behalf of the said company, against, or defending an action brought against the said company by K. M. of, etc., to recover a debt or sum of Rs. alleged to be due from (or to) the said K. M. to (or from) the said company, etc.

No. 64.—*Appearance Book.*

(RULE 733.)

[For general heading, see rule 650.]

Appearance Book.

Date when appearance entered.	Party's name.	Whether creditor or contributor.	If he appears in person, his address for service.	If he appears by an attorney, his attorney's name.	Attorney's address.	Amount of debt (or number of shares).

No. 65.—*Form of order transferring winding-up proceedings from High Court to District Court.*

(RULE 737.)

[For general heading, see rule 650.]

It is hereby ordered that all the winding-up proceedings in the above matter, together with all documents and papers thereto relating and all moneys, and securities standing therein to the credit of the official liquidator, be and they are hereby transferred from the said High Court to the District Court at _____ and the said District Court shall hereafter have cognizance of all such proceedings and take charge of all such moneys and securities.

Dated this _____ day of _____ 19 .

A. B. (Judge of High Court.)

No. 66.—*Form of order transferring winding-up proceedings from one District Court to another.*

(RULE 737.)

[For general heading, see rule 650.]

It is hereby ordered that all the winding-up proceedings in the above matter, together with all documents and papers relating thereto, and all moneys and securities standing therein to the credit of the account of the official liquidator, be and they are hereby transferred from the District Court at _____ to the District Court at _____ and the said last-mentioned District Court shall hereafter have cognizance of all such proceedings and take charge of all such moneys and securities.

Dated this _____ day of _____ 19 .

A. B. (Judge of High Court.)

No. 67.—*Summons for persons to attend at Chambers to be examined.*

(See sec. 195 of the Act.)

[For general heading, see rule 650.]

A. B. of, etc., and E. F. of, etc., are hereby severally summoned to attend at _____ on the _____ day of _____ 19 , at _____ of the clock in the _____ noon, to be examined on the part of the said official liquidator (or of W. D. of, etc.) for the purpose of proceedings directed by the said Court to be taken

before me in the above matter. And the said A. B. is hereby required to bring with him and produce at the time and place aforesaid, a certain indenture (*describe documents*), and all other books, papers, deeds, writings and other documents in his custody or power in anywise relating to the abovenamed company.

Dated this day of 19 . This summons was taken out by Messrs. C. & D. of , attorneys for the official liquidator (*or for the said W. D.*).

No. 68.—*Declaration of the company being completely wound up, and of the official liquidator having passed his final account.*

(RULE 738.)

[For general heading, see rule 650.]

I hereby declare that R. P. H., the official liquidator of the abovenamed company, has passed his final account as such official liquidator, and that the balance of Rs. hereby found to be due to (*or from*) the said official liquidator has been paid in the manner directed by the order dated the day of 19 , and that the affairs of the said company have been completely wound up.

Dated this day of 19 .

A. B., Judge.

No. 69.—*Order to dissolve the company.*

(RULE 739.)

[For general heading, see rule 650.]

Upon the application of the official liquidator of the abovenamed company, and upon reading an order dated the day of and the declaration of the Court dated the day of , whereby it appears that the affairs of the said company have been completely wound up, and that the balance of Rs. due from (*or to*) the official liquidator has been paid in manner directed by the said order. It is ordered that the said company be dissolved as from this day of 19 , and that the recognizance, dated the day of 19 , entered into by the said official liquidator, together with W. B. and S. P., his sureties, be vacated.

A. B.,

Prothonotary and Senior Master,

or A. B.,

District Judge.

No. 70.—*Notice by liquidator in voluntary winding up, of his appointment.*

(See sec. 208 of the Act and rule 741.)

[For general heading, see rule 650.]

To

The Registrar of Joint Stock Companies.

Take notice that by a resolution passed in general meeting of the abovenamed Company on day the day of 19 in the matter of the voluntary winding up of the said Company, I, the undersigned, was appointed liquidator of the said Company.

Dated this day of 19 .

(Signature.)

(Address.)

No. 71.—*Liquidator's Statement of Account.*

(RULE 742.)

[For general heading, see rule 650.]

REALISATIONS.				DISBURSEMENTS.			
Date.	Of whom received.	Nature of assets realised.	Amount.	Date.	To whom paid.	Nature of Disbursements.	Amount.
		Brought forward.	Rs. a. p.			Brought forward.	Rs. a. p.
Carried forward			..	Carried forward			..

NOTE.—No balance should be shown on this Account, but only the total realisations and disbursements, which should be carried forward to the next account.

Analysis of Balance.

				Rs. a. p.
Total realisations	..	..	..	..
„ disbursements	..	..	..	..
			Balance	..

The balance is made up as follows :—

1. Cash in hand of liquidator

Rs. a. p.

2. Total payments into Bank, including balance at date of commencement of winding up (as per Bank Book)

Total withdrawals from Bank

Balance at Bank ..

3. Amount in Companies Liquidation Account ..

Rs. a. p.

4. Amounts invested by Liquidator

Less—Amounts realised from same

Balance

Total balance as shown above Rs.

(NOTE.—Full details of Stocks purchased for investment and of realisation thereof should be given in a separate statement.)

NOTE.—The liquidator should also state—

(1) The amount of the estimated assets and liabilities at the date of the commencement of the winding up.	{	Assets (after deducting amounts charged to secured creditors and debenture holders)	Rs.
		Liabilities	Rs.
		{	
		Secured creditors	„
		Debenture holders	„
		Unsecured creditors	„

(2) The total amount of the capital paid up at the date of the commencement of the winding up.	{	Paid up in cash	Rs.
		Issued as paid up otherwise than for cash.	Rs.

(3) The general description and estimated value of outstanding assets (if any).

(4) The causes which delay the termination of the winding up.

(5) The period within which the winding up may probably be completed.

No. 72.—*Affidavit* verifying statement of liquidator's account.*

(RULE 742.)

[For general heading, see rule 650.]

I, _____ of _____, the liquidator of the abovenamed company, make oath and say as follows :—

1. That *the account hereunto annexed and marked _____ contains a full and true account of my receipts and payments in the winding up of the abovenamed company, from the day of _____, 19____, to the _____ day of _____, 19____, inclusive, and that I have not, nor has any other person by my order or for my use during such period, received or paid any moneys on account of the said company, other than and except the items mentioned and specified in the said account.*

2. I further say that the particulars given in the annexed Form 71, marked _____, with respect to the proceedings in and position of the liquidation, are true to the best of my knowledge and belief.

Sworn at _____
this _____ day of _____ 19____.

Before me.

NOTE.—If no receipts or payments, strike out the words in italics.

NOTE.—By G. O., R. D., No. 5865 of 21st May 1918 forms Nos. 70 to 72 were ordered to be printed for use by the public.

*This affidavit requires a stamp of rupees two in accordance with article 4 Schedule I to the Indian Stamp Act, 1899.

THE SECOND SCHEDULE.

Fees and charges to be allowed to attorneys.

(RULE 746.)

	Rs.
For attending any summons or other application at the Judge's Chambers, per hour	10
Or where from the length of the attendance or the difficulty of the case the Judge shall think this fee an insufficient remuneration for services performed, such fee as the Judge may allow to the attorneys by a memorandum in writing expressly made for that purpose and signed by the Judge specifying distinctly the ground of such allowance	
For notice and services where the services may be effected as provided by Rules	1
For other duties performed, such of the fees authorised by the rules and regulations of the High Court as to attorney's fees as are applicable.	

The following rules were published in the *Sind Official Gazette*, Part I, at pages 1024 to 1067 on 15th May 1919.—

Rules by the
Judicial
Commissioner
in Sind
under section
246.

RULES UNDER THE INDIAN COMPANIES ACT, 1913.

PRELIMINARY.

1. The following shall be used as general headings in all cases under these rules regulating the Companies. In the Court of the Judicial Commissioner at Karachi and in the Courts subordinate thereto.

A. *For proceedings in Court.*

In the Court of the Judicial Commissioner or the District () as the case may be.
In the matter of the Indian Companies Act VII of 1913 and the () Company, Limited.

B. *For all advertisements, Notices and other proceedings in the Court.*

"In the matter of the Indian Companies Act VII of 1913 and of the () Company, Limited.

C. *In cases where it is required the words "and reduced" shall be added to the description of the Company.*

NOTE.—All other rules and forms agree in all respects with and are the same as those of the Bombay High Court as printed on pages 355 to 431. There are some minor changes such as under:—

Wherever the words "Ordinary Original Civil Jurisdiction of the High Court at Bombay", "*Bombay Government Gazette*", "Prothonotary and Senior Master" and "Attorney" appear in the Bombay High Court Rules the words "at Karachi", "*Sind Official Gazette*", "Registrar", and "Attorney or Pleader" are substituted and the words "Chamber or Sitting Judge in Chambers" are omitted.

†BOMBAY AUDITORS CERTIFICATES RULES, 1920.

In exercise of the powers conferred by sub-section (2) of section 144 of the Indian Companies Act, 1913 (hereinafter referred to as "the said Act") and in supersession of Government Notification in the Revenue Department No. 3068, dated 1st April 1914, as subsequently amended, the Governor in Council is pleased to make the following rules* providing for the Grant of Certificates entitling the holders thereof to act as auditors of companies, namely :—

1. *Short title and commencement.*—(1) These rules may be called the Bombay Auditors Certificates Rules, 1920.

(2) They shall come into force on the 15th day of May 1920.

2. *Exemption of duly notified Institutions or Associations.*—Nothing in these rules shall affect the members of any institution or association duly notified by the Governor General in Council under the proviso to sub-section (1) of section 144 of the said Act.

3. *Auditors Council.*—An Auditors Council shall be established for the Presidency of Bombay to aid the Governor in Council in the examination of applications for auditors' certificates, in the issue, suspension and cancellation thereof and, generally, in exercising disciplinary control over the holders of auditors' certificates practising in the Presidency of Bombay and in carrying out the purposes and objects of these rules.

4. *Auditors Council to consist of eight members.*—The Auditors Council shall consist of eight members appointed in the following manner, namely :—

(a) an official President nominated by the Governor in Council;

(b) four non-official members also nominated by the Governor in Council; and

(c) three members nominated by the Accountancy Diploma Board, Bombay, of whom two at least shall be Accountants and either members of an institution or association notified by the Governor General in Council under the proviso to sub-section (1) of section 144 of the said Act, or holders of a permanent unrestricted certificate granted by the Governor in

*Published at pages 1068—1071, Part I, of the *Bombay Government Gazette* dated 22nd April 1920.

This supersedes the Bombay Auditors Certificates Rules, 1914, published under Government Notification in the Revenue Department No. 3068, dated 1st April 1914 and published at pages 730 and 731, Part I, *Bombay Government Gazette* dated 20th April 1914.

†As to the continuance of these Rules see Act XIX of 1930, pages 446 to 448 post.

Council under the provisions of sub-section (2) of section 144 of the said Act.

5. *Tenure of office.*—(1) The members of the Auditors Council shall hold office for three years, and shall be capable of re-appointment.

(2) Any member may at any time resign his appointment by letter addressed to the Secretary to Government, Revenue Department.

(3) Upon the death or resignation of any member of the Auditors Council, some other person shall be nominated by the Governor in Council (or the Accountancy Diploma Board, Bombay, if the deceased or resigned member was nominated by that Board) and such person shall hold office so long only as the member in whose place he is appointed would have held it if the vacancy had not occurred.

(4) (a) Leave of absence from India may be granted by the Governor in Council to any member of the Auditors Council for a period not exceeding six months.

(b) If any member of the Auditors Council departs from India without the leave of the Governor in Council or does not return to India within the period of the leave granted by the Governor in Council, the Governor in Council may declare his seat vacant and such declaration shall have the same effect as resignation of his seat by the member concerned.

6. *Time and place of meeting.*—The Auditors Council shall hold their meetings at such times and places as the President of the Auditors Council shall appoint.

7. *Ex-officio Secretary.*—The Registrar of Companies, Bombay, shall be *ex-officio* Secretary of the Auditors Council.

*8. *Details to be furnished by applicants.*—(1) Every person desirous of obtaining an auditor's certificate shall apply in the first instance to the Secretary to the Auditors Council.

(2) He shall state in his application his full name, age, residence and qualifications, and he shall also furnish, if he is the holder of a Government Diploma in Accountancy of the Sydenham College of Commerce and Economics, Bombay, awarded by the Governor in Council, such Diploma, but if not, then—

“(a) the date of any temporary auditor's restricted certificate held by him, and

(b) the names of the companies, if any, whose accounts he has audited independently and the number of the accounts so audited, furnishing the details separately in respect of the companies whose accounts he had not audited prior to the date on which the last auditor's certificate was granted to him.”

*Amended by G. N. R. D. No. 26-G., dated 4th June 1923, published in B. G. G. dated 7th June 1923, Part I, page 1169.

(3) He shall state in his application whether he has at any time applied for an auditor's certificate from any other Local Government in India and the result of such application.

(4) He shall supply such further information bearing on his application as the Auditors Council or the Governor in Council may at any time require from him.

§9. *Auditors Council not to pass final orders but to make recommendations.*—The Auditors Council shall not pass final orders regarding the grant or refusal of certificates, but shall make recommendations to the Governor in Council. Recommendations of the Auditors Council shall be in accordance with the majority of votes of the members, the President in case of equality of votes having also a casting vote: provided that no recommendation for the grant of a certificate shall be made in the case of any person who—

(a) has not attained the age of 21, and

(b) has not *previously held an auditor's certificate, or has not been awarded by the Governor in Council a Government Diploma in Accountancy of the Sydenham College of Commerce and Economics, Bombay.

10. *Powers of the Governor in Council.*—The Governor in Council may pass such orders on the recommendations of the Auditors Council as he may think fit, and in exceptional cases may give permission to a person who, under the rules, is ineligible for auditing the accounts of Joint Stock Companies to audit the accounts of any specified company for any specified financial year; but such exceptional cases shall be reported to the Government of India.

11. (1) An Auditor's certificate granted to the holder of a Government Diploma in Accountancy of the Sydenham College of Commerce and Economics, Bombay, shall be unrestricted, that is to say, it shall entitle its recipient to practise as an auditor in any part of British India besides enabling him to have a place of business in the Presidency of Bombay, but shall not entitle him to have a place of business in any other province of India without obtaining a certificate to that effect from the Government of such province. An unrestricted certificate shall be in Form B appended to these rules.

(2) An auditor's certificate granted to any person other than a holder of such Government Diploma shall be restricted, that is

§Government has been pleased to delegate power on the Auditors Council to grant permission to Auditors for taking and training apprentices (Government Order No. 4158, Educational Department, of 14th October 1920))

*Amended by Government Notification R. D. No. 26-G., dated 4th June 1923, published in B. G. G., dated 7th June 1923, Part I, p. 1169.

to say, it shall entitle its recipient to conduct audits in the Presidency of Bombay only. A restricted certificate shall be in Form A appended to these rules.

(3) A restricted auditor's certificate shall be valid for the limited period specified in such certificate. An unrestricted auditor's certificate shall be for an unlimited period.

12. *Fees for auditor's certificate.*—(1) No person shall be entitled to *a permanent unrestricted auditor's certificate except on payment to the Secretary of the Auditors Council of a fee of Rs. 100.

(2) Such fee shall be credited by the Secretary of the Auditors Council to the Governor in Council.

(3) When a temporary certificate is renewed no additional fees shall be charged.

(4) When an unrestricted certificate is granted in lieu of a restricted certificate, only the difference between the respective fees shall be charged.

13. *Register of auditors.*—The Secretary of the Auditors Council shall keep a register of every person to whom an auditor's certificate has been issued by the Governor in Council, the name, residence and qualifications of every such person shall be entered in the register with the date on which the certificate was granted. It shall be the duty of the Secretary to keep the register correct and up to date. The register shall be open to the inspection of the public on payment of a fee of eight annas.

14. *Suspension or cancellation of certificates.*—The Governor in Council may at any time direct the suspension or cancellation of a certificate which had been issued under these or any former rules to any person who after due enquiry by the Auditors Council has been found guilty by them of negligence, misconduct or dishonesty in his professional capacity, whereupon the Secretary of the Auditors Council shall remove the name of such person from the register.

15. *Validity of auditors' certificates granted by other Local Governments.*—The holder of an unrestricted certificate granted by any other Local Government in British India, under sub-section (2) of section 144 of the said Act, shall be entitled throughout the Presidency of Bombay to act, as an auditor of companies and to the same privileges as the holder of an unrestricted certificate granted by the Governor of Bombay in Council, except that he shall not be entitled to establish a place of business in the Presidency of Bombay without a certificate authorising him to do so granted by the Governor in Council.

*Amended by G. N., R. D. No. 26-G., dated 4th June 1923, B. G. G., dated 7th June 1923, Part I, p. 1169.

FORMS OF AUDITOR'S CERTIFICATES.

(See rule 11.)

FORM A.

(Restricted Certificate, that is to say, valid throughout the Presidency of Bombay, but not outside such Presidency.)

Under the provisions of sub-section (2) of section 144 of the Indian Companies Act, 1913 (VII of 1913), the Governor of Bombay in Council is pleased to grant to you A
B residing at in the district of
this certificate which shall entitle you to act as an Auditor of Companies throughout the presidency of Bombay
for the period from the day of 193 , to the
day of 193 , inclusive.

Dated this day of 193 .

By order of His Excellency the Honourable the Governor in Council.



Under Secretary to Government,
Revenue Department.

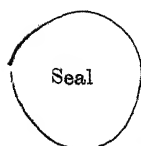
FORM B.

(Unrestricted Certificate, that is to say, valid throughout British India).

Under the provisions of sub-section (2) of section 144 of the Indian Companies Act, 1913 (VII of 1913), the Governor of Bombay in Council is pleased to grant to you A
B residing at in the district of
this certificate which shall entitle you to act as an Auditor of Companies throughout British India for an unlimited period but shall entitle you to have a place of business only in the Presidency of Bombay.

Dated this day of 193 .

By order of His Excellency the Honourable the Governor in Council.



Under Secretary to Government,
Revenue Department.

NOTES GIVING THE EFFECT OF NOTIFICATIONS AND
STANDING ORDERS RELATING TO AUDITORS
COUNCIL, AUDITORS' CERTIFICATES AND AC-
COUNTANCY DIPLOMA BOARD.

NOTE A.

The following letter from the Chief Secretary to the Government of Bombay to the Secretary of the Auditors Council is of importance :—

I am directed to reply to the remarks in paragraph 2 of your letter No. 417 of May 8th, 1914.

2. In that letter you suggest that persons claiming to be members of Institutions exempted under section 144 (1) of the Act should be called on to satisfy Government that they are in fact members of one of the Institutions and that, having done so, they should be granted a local certificate, which should be liable to withdrawal in the event of misconduct.

3. In reply I am directed to point out that as the law stands, it is not possible to give effect to the Council's suggestion. The provision regarding the notification of exemption is in the form of a proviso to section 144 (1) while the certificates are granted under section 144 (2). It is therefore clear that the former is intended to form an exception to the general rule that a certificate is required before a person can be appointed or can act as an auditor.

4. Further I am to say that from a practical point of view the measure proposed by the Council does not seem necessary. Section 134 requires that the balance sheet and auditor's report of every company have to be forwarded to the Registrar every year. The Registrar on perusing the report will at once be able to say whether the auditor belongs to an exempted Institution or is authorised under the Act; if there should be any doubt, he is empowered under section 137 to make enquiries when the claims of the auditor to be a member of any of the exempted Institutions can at once be examined. Should the auditor claim qualifications which he does not possess, he can be proceeded against under section 282 of the Act.

5. As regards misconduct I am to say that the proper course would seem to be for Government or some one on behalf of Government, presumably the Auditors Council, to hold an inquiry and, if the charge is proved to forward the papers of the case to the Council of the Institution of which the person incriminated

is a member. It seems reasonable to suppose that the Council would at once take action with reference to the auditor's certificate.

(G. R., R. D., No. 417, dated 8th May 1914.)

NOTE B.

The Registrar of Companies has to prepare every quarter a list showing the names of the persons holding auditors' certificates granted by this Government, and to publish it in Part I of the *Bombay Government Gazette*. The nature of the certificates held by them—whether permanent or temporary—restricted or unrestricted—must be specified in the list. He must forward a copy of the list to the Accountant General for publication in the Bombay Quarterly Civil List.

(G. R., R. D., No. 6249, dated 6th July 1914.)

NOTE C.

A question was raised as to whether a person appointed as an auditor of a company before the Indian Companies Act, 1913 (VII of 1913), came into force could audit the accounts of that company after 1st April 1914, and the opinion of the Remembrancer of Legal Affairs was obtained. He stated that he was of opinion that sections 290 (2) and 144 (3) of the Act would cover such cases in spite of the wording of section 144 (1).

(G. R., R. D., No. 5757, dated 20th June 1914;
Press Note No. 5758 of same date.)

NOTE D.

THE REGULATIONS FOR THE AWARD OF THE
GOVERNMENT DIPLOMA IN ACCOUNTANCY OF
THE SYDENHAM COLLEGE OF COMMERCE AND
ECONOMICS, BOMBAY.

(Sanctioned by the Government of India in their No. 247 of 6th March 1919 and notified by the Government of Bombay in their order* No. 4751, Educational Department, dated 17th October 1919, and published on pages 2515 and 2516 of Part I of the *Bombay Government Gazette* of the 23rd October 1919.)

1. The diploma in accountancy of the Sydenham College of Commerce and Economics, Bombay, will be awarded by the Government of Bombay, on the recommendation of the Accountancy Diploma Board, to a candidate who has proved to the satisfaction of that Board—

First.—That he has passed (1) the examination of the Accountancy Diploma Board in accordance with the regulations laid down in paragraphs 2 to 11, or (2) the examination prescribed for the Degree of Bachelor of Commerce of the University of Bombay with advanced accounting and auditing as his special subject.

Secondly.—That he has received adequate practical training in accounts as prescribed in regulations 12 and 13; and

Thirdly.—That he bears a good moral character, and has attained the age of 23. Holders of this Diploma will be styled "Government Diplomates in Accountancy" (G.D.A.).

I. Examination for the Diploma in Accountancy.

2. The examination for the diploma in accountancy will be held in Bombay and in such other centres in the different provinces of India as may be selected in consultation with the local Government, commencing on the second Monday in April every year or such other day in April as may be notified in January of that year.

3. Applications for admission to this examination must reach the Secretary to the Accountancy Diploma Board, Bombay, before the 31st January immediately preceding the date of the examination with a fee of Rs. 50 per candidate.

4. A candidate for admission to this examination must have passed the Matriculation Examination of an Indian University or the School Final Examination conducted by a local Government or any other examination which, in the opinion of the Accountancy Diploma Board, is equivalent to these, and, subject to regulations 5 and 6, must produce a certificate in the prescribed form from the head of an institution recognised by the Accountancy Diploma Board that he has, subsequent to passing such an examination, studied for a period of two academic years at such an institution and is fit to present himself for the examination, provided that no such certificate shall be required from a graduate of one of the Universities of India or of the United Kingdom.

5. A candidate who has received an adequate practical training in accounts, as defined in regulation No. 12, for a period of not less than two years shall be eligible to appear for the Diploma examination of this Board up to the year 1922, without being required to produce a certificate of attendance at a recognised institution.

6. Every holder of an auditor's certificate granted by a local Government under the Indian Companies' Act, 1913, shall be eligible for admission to the examination for the Diploma in Accountancy, even though he may not satisfy the conditions laid down in regulation No. 4.

7. Candidates for this examination will be examined in the following subjects :—

A. Accountancy and Auditing :—

- (1) The principles and practice of book-keeping and accounts including a knowledge of the systems of accounts in use in different classes of business.
- (2) Auditing.

*Books recommended—

L. R. Dicksee's Advanced Accounting.
Spicer and Pegler's Book-keeping and Accounts.
L. R. Dicksee's Auditing.
Spicer and Pegler's Practical Auditing.
Dr. A. E. Sprague's Insurance Companies' Accounts.
J. J. McLauchlan's Book-keeping of a Life office.

*These books are named as helpful to the students, but are not prescribed as obligatory.

B. Mercantile Law :—

- (i) The Indian Law relating to Joint Stock Companies, Life Assurance Companies and Provident Insurance Societies.
- (ii) The Indian Law relating to Contracts, Negotiable Instruments, Insolvency and Arbitration.
- (iii) Charter Parties, Bills of Lading, Fire and Marine Insurance.
- (iv) The main provisions of the Indian Stamp and Limitations Acts relating to the above.

†Books recommended—

Smith's Mercantile Law, Vol. I.

Stevens' Mercantile Law.

S. R. Davar's Indian Mercantile Law.

*S. R. Davar's Indian Company Law.

†These books are named as helpful to the students, but are not prescribed as obligatory.

8. (a) Three papers of three hours each will be set in accountancy and auditing as detailed below :—

1st paper— General Accounts.

2nd paper—Special Accounts.

3rd paper—Auditing.

(b) Three papers of three hours each will be set in mercantile law as detailed below :—

1st paper—The Law of Contracts and Arbitration.

2nd paper—Company and Insolvency Law.

3rd paper—Negotiable Instruments, Bills of Lading and Insurance.

9. To pass the examination, a candidate must satisfy the Board that he possesses an adequate knowledge of each of the two subjects referred to in Regulation No. 7.

10. Failure to satisfy the Board will not disqualify the candidate from presenting himself at a subsequent examination on a new application being forwarded and a fresh fee paid.

11. As soon as practicable after the conclusion of the examination a list of successful candidates will be published arranged in alphabetical order, such of them as have passed with distinction being placed in the first class.

II. Practical Training in Accounts.

12. A candidate for the diploma in accountancy shall, subject to regulation 13, be required to prove to the satisfaction of the Accountancy Diploma Board that he has, for the period specified below, served as an apprentice or as an assistant to (1) a Chartered Accountant, (2) an Incorporated Accountant, or (3) the holder of a permanent auditor's certificate under the Indian Companies' Act, 1913, approved by the Local Government of the Province where he is practising :

- (a) Five years, in the case of candidates exempted under regulation No. 5 from the production of a certificate of attendance at a recognised institution, inclusive of the practical training in accounts received by them prior to their appearing for the diploma examination of this Board.
- (b) Three years, in the case of students of a recognised institution (other than University graduates) over and above the two years that they have attended a recognised institution under regulation No. 4.
- (c) Three years, in the case of graduates of one of the Universities of the United Kingdom or of India.

13. The holder of an auditor's certificate granted by a local Government under the Indian Companies Act, 1913, shall, on passing the Diploma Examination of this Board under Regulation 6, become eligible for the diploma in accountancy without any further proof of practical training in accounts.

14. The Accountancy Diploma Board shall have power to frame bye-laws providing for the recognition of accountants the admission and registration of apprentices under Regulation No. 12, and the recognition of institutions under Regulation No. 4.

THE GOVERNMENT DIPLOMA IN ACCOUNTANCY OF
THE SYDENHAM COLLEGE OF COMMERCE AND
ECONOMICS, BOMBAY.

INSTRUCTIONS TO CANDIDATES FOR THE DIPLOMA.

Regulation No. 4.

(A) *Examinations equivalent to Matriculation.*—Examinations recognized by an Indian University as equivalent to the Matriculation or Entrance examination of that University will be recognized as such by the Accountancy Diploma Board under this Regulation. If the candidate has studied for one or more terms in a College affiliated to an Indian University, a certificate to that effect signed

by the Principal of that College will be accepted as proof of the candidate's eligibility for the Diploma course. The previous orders of the Board must be secured by the candidate in other cases.

(B) *Attendance certificate*.—The attendance ought to be in an Institution *specially* recognized by the Accountancy Diploma Board for purposes of this Diploma. The candidate is required to have attended three-fourths of the number of days on which lectures were delivered in each of the two academic years. Should his attendance in either of the two years have fallen short of three-fourths, that particular year will not be counted as a portion of the two years' attendance prescribed by this Regulation. If he has attended the prescribed number of lectures in each of two academic years, but has not been certified as fit to present himself for the examination, he will not be required to attend lectures for a third year, but will merely be required to satisfy the Principal about his fitness to appear for the examination, and to submit his application through the Principal. He may undergo practical training in accounts during such third year, and such training will be counted as a portion of the three years' training prescribed by Regulation 12 (b).

(C) The fee of Rs. 50 must reach the Secretary to the Accountancy Diploma Board, 65 Apollo Street, Fort, Bombay, on or before 31st January. *Fees paid in will on no account be refunded.*

Regulation No. 5.

Under this regulation, an under-graduate may, in lieu of attending lectures for two years as prescribed by Regulation No. 4, receive practical training in accounts for two years. He must apply to the Board for the recognition of such practical training and secure the orders of the Board before applying for the examinations; the number and date of such order must be quoted in the candidate's application for the examination.

Regulations Nos. 6 and 13.

When the holder of a temporary auditor's certificate applies for the examination under Regulation 6 or for the Diploma under Regulation 13, the period for which the auditor's certificate was granted must not have expired. An application from such a candidate submitted after the expiry of the period for which the certificate was granted will not be accepted by the Board.

Regulation No. 12.

Practical training.—Every candidate entering on the course of practical training prescribed by this Regulation must submit to the Accountancy Diploma Board an application for the recognition

Indian Companies.

of such practical training in the prescribed form, copies of which can be had at the office of the Board, Apollo Street, Bombay; such applications must be submitted within sixty days of the commencement of the practical training.

The practical training must be under a Chartered or an Incorporated Accountant or a certified auditor, working as a Public Accountant. It is immaterial whether the candidate has paid a premium for such training or is in receipt of a salary. It is essential that he should be a full-time apprentice and should not be engaged in any other work during the usual office hours.

Chartered and Incorporated Accountants may take and train apprentices without the previous permission of the Government.* The holder of a *permanent* (whether restricted or unrestricted) auditor's certificate granted by a Local Government, may take and train apprentices, provided he is specially empowered in that behalf by the Local Government of the Province where he is practising. The mere fact that he holds a permanent auditor's certificate will not empower him to take apprentices.

The apprenticeship may be served partly under one and partly under another practising accountant, provided it is in each case reported to and recognized by the Accountancy Diploma Board.

Regulation No. 12 (b).

The practical training in accounts prescribed by this regulation may be (1) partly before and partly after, or (2) wholly before, or (3) wholly after the candidate passes the Diploma examination of this Board. The course prescribed for an under-graduate covers five years, *viz.*, two years as a student of a recognized Institution, *plus* three years' apprenticeship. The practical training in accounts, if any, received by an under-graduate during his two years' attendance at a recognized Institution will, therefore, not be reckoned as a portion of the three years' apprenticeship prescribed by this regulation.

Regulation No. 12 (c).

At least two out of the three years' apprenticeship prescribed for graduates must be served after they become graduates.

Number of Apprentices.—No practising Accountant will hereafter be authorised to take and train more than *two apprentices at a time*.†

*Government have delegated this power to the Auditors Council (G. O. E. D. No. 4158, dated the 14th October 1920).

†A Chartered or an Incorporated Accountant, in public practice, may in special cases be permitted by the Accountancy Diploma Board to take and train not more than four apprentices at a time (*vide* page 663, Part II, of the *Bombay Government Gazette*, dated 4th May 1922).

Auditor's Certificate.—No permanent unrestricted Auditor's certificate will hereafter be granted by any Local Government or Administration to a person who does not hold the Government Diploma in Accountancy of the Sydenham College of Commerce and Economics, Bombay. Holders of the Diploma have to apply for a permanent unrestricted Auditor's certificate to the Local Government of the Province where they intend to set up practice (B. G. G., Part II, page 663, dated 4th May 1922).

ACT No. XIX OF 1930.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 4th April, 1930.)

**An Act further to amend the Indian Companies Act, 1913,
for certain purposes.**

VII of 1913.

WHEREAS it is expedient further to amend the Indian Companies Act, 1913, for the purposes hereinafter appearing; It is hereby enacted as follows :—

1. (1) This Act may be called the Indian Companies (Amendment) Act, 1930.
Short title and commencement.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

VII of 1913.

2. In section 144 of the Indian Companies Act, 1913,—

Amendment of section 144, Act VII of 1913.

(a) in sub-section (1),—

(i) for the words "Local Government" the words "Governor General in Council" shall be substituted; and

(ii) for the proviso the following proviso shall be substituted, namely :—

"Provided that a firm whereof the partners all hold such certificates may be appointed by its firm-name to be auditor of a company, and may act in its firm-name"; and

(b) for sub-section (2) the following sub-sections shall be substituted, namely :—

"(2) The Governor General in Council may, by notification in the Gazette of India and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation :

Provided that nothing contained in such rules shall preclude any person from being granted a certificate merely by reason that he does not practise as a public accountant.

(2A) In particular, and without prejudice to the generality of the foregoing power, such rules may—

- (a) provide for the maintenance of a Register of Accountants entitled to apply for such certificates;
- (b) prescribe the qualifications for enrolment on the Register and the fees therefor;
- (c) provide for the examination of candidates for enrolment, and prescribe the fees to be paid by examinees;
- (d) prescribe the circumstances in which the name of any person may be removed from or restored to the register.
- (e) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge of accountancy in India, to advise him on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register; and
- (f) provide for the establishment, constitution and procedure of local accountancy boards at such centres as the Governor General in Council may select, to advise him and the Indian Accountancy Board on any matter that may be referred to them.

(2B) The holder of a certificate granted under this section shall be entitled to be appointed and act as an auditor of companies throughout British India.”

3. (1) All certificates granted by Local Governments before the commencement of this Act entitling the holders, and all declarations made before the commencement of this Act by the Governor General in Council entitling the members of any specified institution or association, to be appointed and to act as auditors of companies throughout British India shall be deemed to be cancelled on the expiry of one year from the commencement of this Act :

Certificates granted before the commencement of this Act.

Provided that the Governor General in Council may direct that any such certificate or declaration shall remain in force for a further period not exceeding one year :

Provided further that any person who—

- (a) was entitled immediately before the commencement of this Act by reason of any such certificate or declaration to be appointed and to act as an auditor of companies throughout British India, and

(b) has at any time, after he became so entitled and before the commencement of this Act, resided in India,

shall, if he possesses such qualifications as to good character and on payment of such fee as may be prescribed under clause (b) of sub-section (2A) of section 144 of the Indian Companies Act, 1913, be entitled to be enrolled on the Register of Accountants referred to in that sub-section.

VII of 1913.

(2) Persons holding restricted certificates granted by Local Governments before the commencement of this Act entitling them to act as auditors within a province may continue so to act, on such conditions as may be prescribed by the Governor General in Council in rules made by notification in the Gazette of India and after previous publication.

LIST OF OFFENCES UNDER THE INDIAN COMPANIES ACT, 1913, WITH THE MAXIMUM PENALTIES THEREFOR.

Section.	Offence.	Maximum Penalty.
		Rs.
25(2)	Not sending copies of memorandum and articles to members at their request.	10
31(2)	Not duly keeping Register of Members	50 for each day
32(4)	Not complying with requirements as to annual list of members and summary.	50 do.
36(3)	Refusing inspection of Register of Members	20 do.
41(3)	Not giving Registrar notice in respect of branch registers.	50 do.
47(2)	Defaults in connection with Share warrants.	50 do.
50(4)	Issuing memoranda not duly corrected	10 do.
51(2)	Not filing with Registrar notice of conversion of shares into stocks, etc.	50 do.
53(2)	Not filing with Registrar notice of increase of capital, etc.	50 do.
62(2)	Not embodying minute of reduction of capital in every memorandum issued.	10
64	Officer of a company concealing name of creditor entitled to object to reduction of capital.	1 year's imprisonment or fine, or both.
70	Defaults in respect of directors with unlimited liability.	1,000 and damages.
71	Defaults in connection with alteration of memorandum making liability of directors unlimited.	10
72	Registered office, and notice to Registrar of situation.	50 for each day.
74(1)	Not keeping name of Company fixed up	50 do.
74(2)	Officer of company using improper seal	500 and damages.
75(2)	Default in publication of authorised capital.	1,000
76(1)	Default in holding annual general meeting	500
77(6)	Defaults in respect of statutory reports	20 for each day.
82(4)	Defaults in filing copies of resolutions with Registrar.	20 do.
82(5)	Company issuing articles not amended	10
82(6)	Officers of companies authorising the above	10
85(3)	Unqualified persons acting as directors	50 for each day.
97(2)	Not filing lists of directors with Registrar	50 do.
91C(2)	Default in complying with sub-section (1)—disclosure to members in case of contract appointing a manager.	1,000
92(5)	Issuing a prospectus before it is filed with Registrar	50 for each day.
103(5)	Company commencing business, etc., before Registrar issues his certificate.	500 do.
104(3)	Defaults in respect of filing a return of allotments.	500 do.
108(2)	Default in issue of certificates	50 do.
118(2)	Default in registration of appointment of receiver.	50 do.
119(2)	Default in filing receiver's accounts	500
122(1)	Default in filing with Registrar particulars of mortgages, etc.	50 for each day.
122(2)	Default in respect of matters connected with registration of mortgages.	1,000

Section.	Offence.	Maximum Penalty.
122(3)	Person authorising delivery of debenture without the certificate of registration endorsed.	Rs. 1,000
123(2)	Officer of a company authorising omission in company's register of mortgages.	500
124(2)	Company refusing inspection of copies of instruments creating mortgages or mortgage register.	50 and 20 for each day.
125(3)	Refusal of inspection of register of debenture-holders or refusing copy.	50 and 20 for each day.
131(4)	Default in respect of preparation of balance sheet.	1,000
133(3)	Issuing copies of balance sheets not duly signed.	500
134(4)	Default in filing balance sheet with Registrar	50 for each day.
136(4)	Defaults in respect of statements by banking and insurance companies.	50 do.
137(3)	Refusal to furnish information called for by Registrar under the section.	50
140(3)	Refusal to produce documents to, or reply to questions by inspector.	50
142(3)	Like penalties on officers of companies refusing to furnish information to inspector appointed by the shareholders.	50
194(3)	Official liquidator not filing with Registrar Court's Order of dissolution.	50 for each day
206(2)	Not publishing notice of special resolution for voluntary winding up.	50 do.
208(2)	Liquidator failing to file with Registrar notice of his appointment.	50 do.
217(3)	Liquidator failing duly to file with Registrar a return of the holding of final meeting of a company.	50 do.
217(5)	Default in filing with Registrar copy of Court's Order deferring date of dissolution.	50 do.
236	Directors falsifying books or papers . . .	7 years' imprisonment and fine.
238	For giving false evidence .	7 years' imprisonment and fine.
243(2)	Default in filing with the Registrar a copy of Court's order declaring the dissolution of a company to have been void.	50 for each day.
244(3)	Liquidator failing to file with Registrar particulars as to liquidation.	500 for each day.
277(5)	Foreign companies defaults	500 or 50 for each day.
282	False statements in returns or documents .	3 years' imprisonment and fine.
283	Use of name ending with "limited" by any but a registered company.	50 for each day.

**LIST OF DOCUMENTS REQUIRED TO BE REGISTERED BY COMPANIES
INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913.**

Document.	Section.	Form No.	Remarks.
I On registration of company.			
1. Memorandum of Association.	6, 7, 8	A, B, C, D, Sch. III.	Revenue Stamp Rs. 30 or if no articles registered Rs. 80.
2. Articles of Association	17	Table A, Sch. I and Forms B, C, D, Sch. III.	Optional in the case of companies limited by shares other than private companies. If not registered Table A applies. Must be printed. Revenue Stamp of Rs. 25 where the nominal share capital does not exceed Rs. 2,500. Revenue stamp Rs. 50 if the capital does not exceed one lakh and Rs. 100 when it exceeds that amount.
*3. List of Directors	84	III	
*4. Consent of Directors to act.	84	II	
*5. Contract of Directors to take qualification shares.	84	XXV	Unless Memorandum is signed by Directors for requisite shares. Stamp Re. one per Director.
6. Declaration of Companies.	24 (2)	I	Revenue Stamp Rs. 2.
II. Before Allotment.			
*7. (a) Prospectus, or	92		Contents as per sec. 93.
(b) Statement in lieu of Prospectus.	98	Schedule II.	
8. Statement as to commission.	105	VIII	If any paid and not included in 7, e.g., Private Companies or issue of future capital.
III. Before commencing business.			
9. Notice of situation of Registered Office.	72		Full address required. In towns name and street No. of building. In mofussil Taluka and Zilla.
*10. Declaration before commencing business.	103	IV, V	Must be made before a person authorised to administer oaths. Revenue Stamp Rs. 2.
IV. Within six months of certificate to commence business.			
11. Return of allotment	104	VI	Actual dates of allotment to be given and return registered within one month of first date included therein.

Document.	Section.	Form No.	Remarks.
IV <i>Within six months of certificate to commence business.</i> auctd.			
12. Copy of contract giving title to shares issued otherwise than for cash.	104		Must accompany Return of Allotment. If contract not in writing particulars in form VII duly stamped must be registered. Before Statutory Meeting.
*13. Statutory Report	77	XXIV	
14. Copy of Register of Directors.	87	XXVI	
V. <i>Annually.</i>			
15. Summary and list of members.	32	E. Sch. III	Within seven days of Annual General Meeting.
*16. Balance Sheet	131 to 134	F. Sch. III	Do. do.
VI. <i>On occurrence.</i>			
<i>Note.</i> —Nos. 7, 8, 11 and 12 come under this head for subsequent issues of Capital.			
17. Special Resolution	82		Printed or typed copy within fifteen days of confirmation.
18. Extraordinary Resolution	82		Do. do. of passing.
19. Alteration of name	11		Copy of Government Order sanctioning change to be registered.
20. Alteration of Directors.	87	XXVI	Within one month of occurrence.
21. Alteration in situation of Registered Office.	72		See No. 3 above.
22. Alteration in Memorandum.	15		Certified copy of Court's order with printed copy of Memorandum as altered within three months of order.
23. Notice of increase of Capital (or members if no share Capital).	53		Within fifteen days of resolution.
24. Notice of consolidation or division of shares on conversion of stock or shares.	51		Within 15 days of resolution.
Reorganisation of capital into different classes.	54		Certified copy of Court's order within 21 days of order.
26. Reduction of Capital	61		Certified copy of Court's order and minute.
27. Notice of situation of office of British Register or change or discontinuance.	41		Within one month.

Document.	Section.	Form No.	Remarks.
VI. <i>On occurrence</i> —contd.			
28. Particulars of mortgage or charge.	109	IX	Must be accompanied by the original deed or a copy certified by an affidavit and registered within 21 days of date of deed. For stamp on affidavit see No. 6.
29. Particulars of series of Debentures.	110	X, XI	Do. do.
30. Notice of appointment of Receiver.	118	XIII	Within 15 days.
31. Receiver's Accounts	119	XIV	Half yearly.
32. Notice of Receiver ceasing to act.	119	XV	
VII. <i>On Liquidation</i> .			
33. Winding-up Order	172(1)		
34. Notice of appointment of Liquidator.	208	70	Within 21 days.
35. Statement of accounts	244	71 and 72 (6)	1st statement 30 days from completion of 1st year of liquidation: subsequent statement half-yearly.
36. (a) Order for Dissolution, or (b) Return of Final Meeting.	194 217 (3)		Within 15 days. Within one week.
37. Order postponing dissolution.	217 (5)		Within 21 days.
38. Order declaring dissolution void.	243		Within 21 days.

(1) Documents marked* need not be registered in the case of private companies.

(2) The forms indicated above must be strictly adhered to.

(3) No document will be accepted on paper larger than 15' × 10' (the size of Form E printed by Government) and a margin of 1½" must be left clear for binding. Documents comprising more than one sheet must be drawn in such manner that they can be read straight through when filed. Unwieldy documents (*e.g.*, large returns of allotments or annual summaries) should be bound in two volumes.

(4) Every document for registration must bear the signature of some responsible officer of the Company.

(5) Documents in any language other than English must be accompanied by an English translation certified by a responsible officer of the Company to be correct.

(6) This being an affidavit requires a stamp of rupees two.

Note.—For lists of documents to be submitted by Foreign Companies under the Indian Companies Act, Life Assurance Companies Act, and by Societies under Provident Insurance Societies and Societies Registration Acts and by liquidators see Index under "Forms" and "Statements".

Note.—Stamp duty referred to in column 4 is in all cases payable under the Indian Stamp Act, 1899 (II of 1899), and not under the Court Fees Act VII of 1870.

Indian Companies.

(7) Stamp duty referred to above in column 4 is payable in the Presidency of Bombay, on the above deeds according to the Indian Stamp (Bombay Amendment) Act No. II of 1922 as under:—

	Rs.	A.	P.
4. Affidavit	2	0	0
5 Agreement—			
(a) if relating to the sale of Bill of Exchange		0	4 0
(b) if relating to the sale of a Government security or share in an incorporated company.	Subject to maximum of twenty rupees two annas for every Rs. 10 thousand or part thereof of the value of the security or share.		
(c) if not otherwise provided for .	1	0	0
10 Articles of Association of a company—			
(a) Where the company has no share capital or the nominal share capital does not exceed Rs. 2,500	25	0	0
(b) Where the nominal share capital exceeds Rs. 2,500 but does not exceed rupees one lac	50	0	0
(c) Where the nominal share capital exceeds rupees one lac	100	0	0
24 Copy or extract—			
(i) If the original was not chargeable with duty or the duty with which it was chargeable does not exceed Re. 1. .		0	0
(ii) In any other cases	2	0	0
39 Memorandum of Association—			
(a) if accompanied by Articles of Association	30	0	0
(b) if not so accompanied	80	0	0
40 Mortgage Deed—			
(a) When possession of the property or any part of the property comprised in such deed is given by the mortgagor or agreed to be given.	The same duty as a conveyance for a consideration equal to the amount secured by such deed.		
(b) When possession is not given or agreed to be given as aforesaid.	The same duty as a bond No. 15 for the amount secured by such deed.		

EXPLANATIONS OF REFERENCES.

B. G. G.	.	.	.	.	Bombay Government Gazette.
B. H. C.	.	.	.	.	Bombay High Court.
B. A. C.	.	.	.	.	Bombay Auditors Council.
C. & I.	.	.	.	.	Commerce and Industry (Department)
Ch. D.	.	.	.	.	Chancery Division (Law Reports).
G. G.	.	.	.	.	Governor-General-in-Council.
G. I. or G. of I.	.	.	.	.	Government of India.
G. O.	.	.	.	.	Government Order.
G. R.	.	.	.	.	Government Resolution.
L. G.	.	.	.	.	Local Government.
L. R.	.	.	.	.	Law Reports
L. T.	.	.	.	.	Law Times Reports.
N.	.	.	.	.	Note.
Notn.	.	.	.	.	Notification.
P.	.	.	.	.	Page.
Pt.	Part.
Q. B.	Queen's Bench Reports.
Q. B. D.	Queen's Bench Division.
R.	Rule.
S.	Section.

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UNDER THE INDIAN COMPANIES ACT, 1913. (See page 300)

For registration of a Company whose nominal share capital exceeds	But does not exceed	A fee of
Rs.	Rs.	Rs.
20,000	20,000	40
30,000	30,000	60
40,000	40,000	80
50,000	50,000	100
60,000	60,000	105
70,000	70,000	110
80,000	80,000	115
90,000	90,000	120
1 lac	One lac	125
1 " 10 thousand	1 lac 10 thousand	130
1 " 20 "	1 " 20 "	135
1 " 30 "	1 " 30 "	140
1 " 40 "	1 " 40 "	145
1 " 50 "	1 " 50 "	150
1 " 60 "	1 " 60 "	155
1 " 70 "	1 " 70 "	160
1 " 80 "	1 " 80 "	165
1 " 90 "	1 " 90 "	170
2 lacs	2 lacs	175
2 " 10 thousand	2 " 10 thousand	180
2 " 20 "	2 " 20 "	185
2 " 30 "	2 " 30 "	190
2 " 40 "	2 " 40 "	195
2 " 50 "	2 " 50 "	200
2 " 60 "	2 " 60 "	205
2 " 70 "	2 " 70 "	210
2 " 80 "	2 " 80 "	215
2 " 90 "	2 " 90 "	220
3 lacs	3 lacs	225
3 " 10 thousand	3 " 10 thousand	230
3 " 20 "	3 " 20 "	235
3 " 30 "	3 " 30 "	240
3 " 40 "	3 " 40 "	245
3 " 50 "	3 " 50 "	250
3 " 60 "	3 " 60 "	255
3 " 70 "	3 " 70 "	260
3 " 80 "	3 " 80 "	265
3 " 90 "	3 " 90 "	270
4 lacs	4 lacs	275
4 " 10 thousand	4 " 10 thousand	280
4 " 20 "	4 " 20 "	285
4 " 30 "	4 " 30 "	290
4 " 40 "	4 " 40 "	295
4 " 50 "	4 " 50 "	300
4 " 60 "	4 " 60 "	305
4 " 70 "	4 " 70 "	310
4 " 80 "	4 " 80 "	315
4 " 90 "	4 " 90 "	320
5 lacs	5 lacs	325
5 " 10 thousand	5 " 10 thousand	330
5 " 20 "	5 " 20 "	335
5 " 30 "	5 " 30 "	340
5 " 40 "	5 " 40 "	345
5 " 50 "	5 " 50 "	350

For registration of a Company whose nominal share capital exceeds	But does not exceed	A fee of
Rs.	Rs.	Rs.
5 lacs 50 thousand	5 lacs 60 thousand	355
5 " 60 "	5 " 70 "	360
5 " 70 "	5 " 80 "	365
5 " 80 "	5 " 90 "	370
5 " 90 "	6 lacs	375
6 lacs	6 " 10 thousand	380
6 " 10 thousand	6 " 20 "	385
6 " 20 "	6 " 30 "	390
6 " 30 "	6 " 40 "	395
6 " 40 "	6 " 50 "	400
6 " 50 "	6 " 60 "	405
6 " 60 "	6 " 70 "	410
6 " 70 "	6 " 80 "	415
6 " 80 "	6 " 90 "	420
6 " 90 "	7 lacs	425
7 lacs	7 " 10 thousand	430
7 " 10 thousand	7 " 20 "	435
7 " 20 "	7 " 30 "	440
7 " 30 "	7 " 40 "	445
7 " 40 "	7 " 50 "	450
7 " 50 "	7 " 60 "	455
7 " 60 "	7 " 70 "	460
7 " 70 "	7 " 80 "	465
7 " 80 "	7 " 90 "	470
7 " 90 "	8 lacs	475
8 lacs	8 " 10 thousand	480
8 " 10 thousand	8 " 20 "	485
8 " 20 "	8 " 30 "	490
8 " 30 "	8 " 40 "	495
8 " 40 "	8 " 50 "	500
8 " 50 "	8 " 60 "	505
8 " 60 "	8 " 70 "	510
8 " 70 "	8 " 80 "	515
8 " 80 "	8 " 90 "	520
8 " 90 "	9 lacs	525
9 lacs	9 " 10 thousand	530
9 " 10 thousand	9 " 20 "	535
9 " 20 "	9 " 30 "	540
9 " 30 "	9 " 40 "	545
9 " 40 "	9 " 50 "	550
9 " 50 "	9 " 60 "	555
9 " 60 "	9 " 70 "	560
9 " 70 "	9 " 80 "	565
9 " 80 "	9 " 90 "	570
9 " 90 "	10 lacs	575

In addition to Rs. 575, for every ten thousand or part thereof for the nominal capital in excess of ten lacs a fee of *Re. one*.

Provided that the maximum fee payable for registration of capital shall be Rs. one thousand only.

N.B.—(1) The fee on the capital of Rs. 52,50,000 amounts of Rs. 1,000.

(2) When capital is increased the fee is, calculated on the increase of capital if it were a new company and not as if the increased and registered capital together formed one company. (See Advocate General's opinion No. 107 dated 14th December 1898); (See Solicitor to Government No. 347 dated 6th March 1900).

(3) When a company reduces its capital and then increases it the fee should be levied on the difference of capital increased and the capital reduced and not on the difference of capital increased and the one previously registered. (See opinion of the Solicitor to Government No. 988 dated 2nd August 1901.)

FEE TABLE (INDIAN COMPANIES ACT.

(Without capital.) (Page 302.)

For the registration of a Company whose number of members		But does not exceed	A fee of
			Rs.
	20 members	20 members	40
Exceeds	100	100	100
"	150	150	105
"	200	200	110
"	250	250	115
"	300	300	120
"	350	350	125
"	400	400	130
"	450	450	135
"	500	500	140
"	550	550	145
"	600	600	150
"	650	650	155
"	700	700	160
"	750	750	165
"	800	800	170
"	850	850	175
"	900	900	180
"	950	950	185
"	1,000	1,000	190
"	1,050	1,050	195
"	1,100	1,100	200
"	1,150	1,150	205
"	1,200	1,200	210
"	1,250	1,250	215
"	1,300	1,300	220
"	1,350	1,350	225
"	1,400	1,400	230
"	1,450	1,450	235
"	1,500	1,500	240
"	1,550	1,550	245
"	1,600	1,600	250
"	1,650	1,650	255
"	1,700	1,700	260
"	1,750	1,750	265
"	1,800	1,800	270
"	1,850	1,850	275
"	1,900	1,900	280
"	1,950	1,950	285
"	2,000	2,000	290
"	2,050	2,050	295
"	2,100	2,100	300
"	2,150	2,150	305
"	2,200	2,200	310
"	2,250	2,250	315
"	2,300	2,300	320
"	2,350	2,350	325
"	2,400	2,400	330
"	2,450	2,450	335
"	2,500	2,500	340
"	2,550	2,550	345

For the registration of a Company whose number of members	But does not exceed	A fee of
		Rs.
Exceeds 2,550 members	2,600 members	350
" 2,600 "	2,650 "	355
" 2,650 "	2,700 "	360
" 2,700 "	2,750 "	365
" 2,750 "	2,800 "	370
" 2,800 "	2,850 "	375
" 2,850 "	2,900 "	380
" 2,900 "	2,950 "	385
" 2,950 "	3,000 "	390
" 3,000 "	3,050 "	395
" 3,050 "	3,100 "	400
" 3,100 or over		400

N. B.—For registration of a company (having members) under sec. 26, Rs. 50.
(See note 17, page 152.)

The above tables do not apply to charges, debentures, and mortgages for which the following fee is payable. (See rule 6, page 324, supra.)

When the total amount secured does not exceed Rs. 2,000	Rs. 5
Do. exceeds Rs. 2,000	10
For filing every document other than memorandum, notice of increase of capital or member, mortgage, or receiver's appointment (See note 109, page 301)	3
For making a record of a fact (See page 302) and for registering "receiver's appointment" [Rule 6 (4), page 330]	5
For inspection of mortgage register [See rule 6 (3), page 324]	1
For inspection, copies, etc. (See note 85, page 246.)	
For the registration of every document by a foreign company [See Section 277 (7), page 278]	5
For certificates of incorporation or copies thereof (See note 115A, page 302)	3
For copies of other certificates. (See note 85, page 246.)	